

STRICTLY PRIVATE AND CONFIDENTIAL

THIS AGREEMENT is made on the 19th day of October 2016

BETWEEN:

- (1) **PATRON CAPITAL ADVISERS LLP** (Company Number: OC361119) whose registered office is at 1 Vine Street, London W1J 0AH acting in its capacity as an adviser to the Patron Capital funds ("**Patron**"); and
- (2) **PUNCH TAVERNS PLC** (Company Number: 03752645) whose registered office is at Jubilee House, Second Avenue, Burton upon Trent, Staffordshire DE14 2WF ("**Punch**").

Patron and Punch are hereinafter referred to as the "**Parties**" or either one thereof as a "**Party**".

WHEREAS:

Punch has, and will continue to, provide Patron with confidential documents and information for their review to allow discussions and information exchange to take place between the Parties in relation to Project Ark (the "**Project**"). During the course of the discussions, information of a commercial, technical or proprietary nature may be disclosed by a Party to the other Party and accordingly the Parties agree that such disclosure shall be subject to the terms set out herein.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. Definitions

1.1 In this Agreement:

- (A) "**acting in concert**" means actively co-operating pursuant to an agreement or understanding (whether formal or informal) in the acquisition (directly or indirectly) of securities of Punch to obtain or consolidate control of Punch (control having the meaning given to it by the Code);
- (B) "**Affiliate**" means any holding company or subsidiary company of a Party or any company which is a subsidiary company of the holding company of that Party and the expressions "**holding company**" and "**subsidiary**" shall have the meanings respectively ascribed thereto by Section 1159 of the Companies Act 2006.
- (C) "**Code**" means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel on Takeovers and Mergers;
- (D) "**Confidential Information**" means:
 - (i) all and any information, documents, data and opinions disclosed by or on behalf of a Party to the other Party including without limitation commercial, financial or proprietary material, pricing information, data, know-how, formulae, processes, operating methods and procedures, results, designs, drawings, specifications, industrial and or intellectual property, computer programmes or other software and any other information relating directly or indirectly to the Project, this Agreement

and the business of either Party whether in written (including electronic), pictorial, visual or oral form or disclosed pursuant to discussions with any of the Affiliates, officers, employees, agents, advisors or consultants of a Party and whether or not marked as confidential;

- (ii) information of whatever nature relating to the business or properties of a Party obtained by observation during visits to its premises or those of its Affiliates or those of any third party instructed, engaged, or retained in any way whatsoever by a Party; and
 - (iii) analyses, compilations, studies and other documents prepared by either or both of the Parties, their officers, employees, agents, advisors or consultants which contain or otherwise reflect or are generated from the information specified in sub-clause 1.1(D)(i) or 1.1(D)(ii) above.
- (E) The term “**Confidential Information**” does not include any information which:
- (i) at the time of disclosure or thereafter is generally available to the public (other than as a result of its disclosure by the Receiving Party or, where applicable, its Representatives in breach of this Agreement);
 - (ii) was available to the Receiving Party or its Representatives on a non-confidential basis prior to disclosure by the Disclosing Party;
 - (iii) was, is, or becomes available to the Receiving Party or its Representatives on a non-confidential basis from a person who, to the Receiving Party's knowledge, is not otherwise bound by a confidentiality agreement with the Disclosing Party, or is not otherwise prohibited from transmitting the information to the Receiving Party or its Representatives, or
 - (iv) is independently developed by the Receiving Party or on its behalf without violating any of the obligations under this Agreement.
- (F) “**Data Incident**” has the meaning given to it in sub-clause 7.1(B);
- (G) “**Data Protection Law**” has the meaning given to it in clause 7.1;
- (H) “**Disclosing Party**” means the Party disclosing Confidential Information to the Receiving Party or the Party to whom the Confidential Information belongs.
- (I) “**DPA 1998**” means the Data Protection Act 1998.
- (J) “**DPD**” means the Data Protection Directive (95/46/EC).
- (K) “**Electronic Systems**” has the meaning given to it in clause 5.1.
- (L) “**Permitted Purpose**” means the analysis or use of Confidential Information in connection with the Project.

- (M) **“Personal Data”** has the meaning given to it in the DPA 1998;
- (N) **“Project”** has the meaning given to it in the recital.
- (O) **“Receiving Party”** means the Party in receipt of Confidential Information from the Disclosing Party or otherwise acquired by that Party.
- (P) **“Representatives”** means the employees, directors, officers, members and outside professional advisors (including attorneys, accountants, consultants and financial advisors) of a Party or the employees, officers or outside professional advisers of a Party's Affiliates.
- (Q) **“Unauthorised Use”** has the meaning given to it in sub-clause 7.1(B).

2. Patron confidentiality undertaking

2.1 In consideration of the disclosure to it by Punch of Confidential Information, Patron hereby agrees with and undertakes to Punch, that, subject as herein described, all Confidential Information received by Patron before, on or after the date of this Agreement:

- (A) shall not be used for any purpose other than the Permitted Purpose;
- (B) shall not be copied other than in connection with the Permitted Purpose; and
- (C) shall be held strictly confidential and shall not be divulged directly or indirectly or otherwise made available in whole or in part to any third party without the prior written consent of Punch, except that, subject to the condition in clause 2.2 below, Patron may without such approval disclose such Confidential Information:
 - (i) to the extent strictly necessary for the Permitted Purpose to its Affiliates and Representatives directly concerned with the Permitted Purpose and whose knowledge of the Confidential Information is essential for the Permitted Purpose; or
 - (ii) to any governmental or regulatory authority having a right to require or request the same or to any recognised Stock Exchange, in compliance with the rules and regulations thereof or to the extent required by law or by any court of competent jurisdiction (provided that Patron shall, to the extent permitted by law, prior to such disclosure inform Punch in writing of such requirement and shall disclose only such Confidential Information as is necessary to comply therewith).

2.2 The condition in this clause 2.2 is that Patron shall ensure that the intended recipient is made aware of the confidential nature of the Confidential Information and, in relation to any disclosure under sub-clause 2.1(C)(i) above, shall assume full responsibility for the actions of such recipients; provided, however, that notwithstanding anything to the contrary in this Agreement, Patron will not be responsible for any breach of this Agreement by any such recipient who is not one of its directors, members, officers or

employees and who has agreed to be bound by the confidentiality provisions of this Agreement by the execution of a letter agreement substantially in the form of Exhibit A hereto.

2.3 Further, without the prior written consent of Punch, Patron will not, and will direct its Affiliates and Representatives not to (directly or indirectly) disclose to any person:

- (A) the existence of this Agreement or its contents, or
- (B) that either Punch or Patron have been involved in any discussions, except as required by law, regulation or legal process.

3. **Punch confidentiality undertaking**

3.1 In consideration of the disclosure to it by Patron of Confidential Information, Punch hereby agrees with and undertakes to Patron, that, subject to clause 3.4 and as herein described, all Confidential Information received by Punch before, on or after the date of this Agreement:

- (A) shall not be used for any purpose other than the Permitted Purpose;
- (B) shall not be copied other than in connection with the Permitted Purpose; and
- (C) shall be held strictly confidential and shall not be divulged directly or indirectly or otherwise made available in whole or in part to any third party without the prior written consent of Patron, except that, subject to the condition in clause 3.2 below, Punch may without such approval disclose such Confidential Information:
 - (i) to an Affiliate of Punch directly concerned with the Permitted Purpose and whose knowledge of the Confidential Information is essential for the Permitted Purpose; or
 - (ii) to any governmental or regulatory authority having a right to require or request the same or to any recognised Stock Exchange, in compliance with the rules and regulations thereof or to the extent required by law or by any court of competent jurisdiction (provided that Punch shall, to the extent permitted by law, prior to such disclosure inform Patron in writing of such requirement and shall disclose only such Confidential Information as is necessary to comply therewith); or
 - (iii) to the extent strictly necessary for the Permitted Purpose to its Representatives directly concerned with the Permitted Purpose and whose knowledge of the Confidential Information is essential for the Permitted Purpose,

3.2 The condition in this clause 3.2 is that Punch shall ensure that the intended recipient is made aware of the confidential nature of the Confidential Information and, in relation to any disclosure made under sub-clauses 3.1(C)(i) and/or 3.1(C)(iii) above, shall assume full responsibility for the actions of such recipients; providing, however, that

notwithstanding anything to the contrary in this Agreement, Punch will not be responsible for any breach of this Agreement by any such recipient who is not one of its directors, members, officers or employees and who has agreed to be bound by the confidentiality provisions of this Agreement by the execution of a letter agreement substantially in the form of Exhibit A hereto.

3.3 Subject to clause 3.4, without the prior written consent of Patron, Punch will not, and will direct its Affiliates and Representatives not to (directly or indirectly) disclose to any person:

- (A) the existence of this Agreement or its contents, or
- (B) that any of the Parties have been involved in any discussions, except as required by law, regulation or legal process.

3.4 The restrictions on the disclosure of Confidential Information by Punch in this clause 3 do not apply to the disclosure of Confidential Information relating directly or indirectly to the Project (including the existence of the Project and this Agreement and of the discussions and negotiations between the Parties (or in each case the Parties' Affiliates or Representatives) and the willingness of each Party to enter into such discussions and negotiations with each other or any other party) where it is disclosed by or on behalf of Punch in accordance with Rule 2.3(d) and Rule 21.2(b) of the Code.

4. **Ownership of Confidential Information**

4.1 All Confidential Information shall remain the property of the Disclosing Party and the disclosure of Confidential Information does not amount to a licence in favour of the Receiving Party. The Disclosing Party does not make any representation or warranty, express or implied, as to the quality, accuracy or completeness of the Confidential Information disclosed by or on behalf of it. Each Party hereby acknowledges that any breach by it of any of the provisions of this Agreement may cause serious damage to the other Party. The Parties acknowledge that damages may not be an adequate remedy for breach of any of the terms set out in this Agreement and that the non-breaching Party should be entitled to seek equitable relief including injunctions in respect of any breach by a Party hereto. Any failure by the Disclosing Party in exercising any right, power or privilege hereunder shall not, nor shall any single or partial exercise thereof, preclude any exercise of any other right, power or privilege.

5. **Copies and duplicates**

5.1 The Parties agree and undertake to each other that the Confidential Information shall only be copied or duplicated to the extent strictly necessary for the Permitted Purpose. Furthermore, any of the Confidential Information and copies, and any extracts, summaries or analyses thereof, shall be returned to the Disclosing Party or destroyed or expunged from any electronic storage device (with written confirmation of the same to the Disclosing Party) within fourteen (14) working days of receipt of a written request to do so from the Disclosing Party, provided that a Party may retain copies of the Confidential Information if required by law or any regulatory or governmental authority or in accordance with internal compliance procedures. Notwithstanding the foregoing, the Disclosing Party acknowledges that it is impossible to ascertain that information stored

in or transmitted by computers, word processing and electronic mail and similar systems (“**Electronic Systems**”) has been completely destroyed and therefore, in respect of Confidential information so stored or transmitted, upon receipt of such request, the requirements of this provision shall be met by Receiving Party having made all commercially reasonable efforts to destroy or erase Confidential Information stored on its Electronic Systems. The confidentiality obligations under this Agreement shall survive any such return, destruction or retention of Confidential Information and shall remain binding on the Parties unless this Agreement terminates in accordance with clause 12 (Termination) below.

6. **Standstill**

- 6.1 Patron agrees that from the date of this Agreement until the later of (i) the date falling 12 months after the date of this Agreement and (ii) the date on which all Confidential Information provided to Patron ceases to be price-sensitive information (as defined by the Criminal Justice Act 1993), Patron will not and will procure that any person acting in concert with Patron will not (directly or indirectly) without Punch's prior written consent:

- (A) acquire or offer to acquire or enter into any agreement, arrangement or understanding (whether legally binding or not) to acquire or offer to acquire any interest in any securities of Punch other than securities issued pursuant to any rights granted in relation to securities of Punch held by such person on the date of this Agreement;
- (B) enter into any agreement, arrangement or understanding (whether legally binding or not) which imposes (directly or indirectly) obligations or restrictions on any party to such agreement, arrangement or understanding with respect to the exercise of voting rights attaching to any securities of Punch;
- (C) enter into any agreement, arrangement, understanding or transaction or do or omit to do any act as a result of which Patron or any person acting in concert with Patron will become obliged or required (whether under the Code or otherwise) to make any general offer or invitation to acquire any securities of Punch;
- (D) enter into any agreement, arrangement or understanding (whether legally binding or not) with any person relating to or in connection with the making by such person (or other person acting in concert with such person) of any offer, invitation or solicitation for any securities of Punch; or
- (E) announce any proposal to do any of the matters referred to in sub-clauses 6.1(A) to 6.1(D) above.

6.2 The obligations in this clause 6 will not apply to any person who acquires or disposes of any interest in securities of Punch in the ordinary course of business of that person as a fund manager, market-maker, broker or provider of trustee or nominee services where the decision to acquire or dispose is taken by an individual who is not in possession of Confidential Information.

6.3 If Patron or any person acting in concert with Patron acquires any interest in securities of Punch in breach of clause 6.1, then on request by Punch (without prejudice to any of Punch's other rights under this Agreement) Patron will dispose of or procure the disposal of such interest within 30 days.

6.4 The restrictions contained in this clause 6 will not apply if, at any time, any person (including Patron or any person acting in concert with Patron) makes, or announces a firm intention to make, a general offer to acquire shares carrying over 50% of the voting rights (as defined in the Code) in Punch which has been recommended by the board of directors of Punch.

7. **Personal Data**

7.1 Each Party acknowledges that Confidential Information may include Personal Data, the handling or processing of which may be subject to the requirements of the DPD and/or any implementing national legislation thereunder, including but not limited to the DPA 1998 ("**Data Protection Law**"). Without limitation to any other term of this Agreement, in relation to the Personal Data, each Party will:

- (A) comply with all relevant provisions of Data Protection Law;
- (B) take appropriate technical and organisational measures to guard against (a) the unauthorised or unlawful disclosure or processing of the Personal Data (“**Unauthorised Use**”), and (b) the loss, misuse, corruption or destruction of, or damage to, the Personal Data (a “**Data Incident**”);
- (C) immediately notify the other Party of any Unauthorised Use or Data Incident;
- (D) immediately notify the other Party on receipt of any communication (including without limitation from the Information Commissioner) which relates to the Personal Data of either Party or to either Party’s compliance with Data Protection Law;
- (E) promptly provide to the other such full co-operation, information and assistance as such Party may from time to time reasonably request to enable it to comply with its obligations under Data Protection Law; and
- (F) not process the Personal Data outside of the European Economic Area or outside any country deemed adequate by the European Commission pursuant to Article 25(6) of the DPD without the prior written consent of Punch. For the avoidance of doubt, any processing of Personal Data in the United States of America will require the prior written consent of Punch.

8. **No partnership**

- 8.1 Nothing in this Agreement is intended to or shall operate to create a partnership or joint venture of any kind between the Parties.

9. **Severability**

- 9.1 If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the other provisions of this Agreement and all provisions not affected by the invalidity or unenforceability shall remain in full force and effect.

10. **Third party rights**

- 10.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 10.2 The Parties to this Agreement may rescind or vary this Agreement without the consent of a third party to whom an express right to enforce any of its terms has been granted.

11. **No assignment**

- 11.1 This Agreement is personal to the parties and shall not be assigned or otherwise transferred in whole or in part by either party without the prior written consent of the other party.

12. **Termination**

12.1 This Agreement shall terminate on the earlier of:

(A) mutual agreement of the Parties; and

(B) two (2) years after the date hereof.

13. **Counterparts**

13.1 This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but such counterparts shall together constitute one and the same Agreement.

14. **Governing law and jurisdiction**

14.1 The construction, validity and performance of this Agreement shall be governed by English law and the Parties submit to the non-exclusive jurisdiction of the courts of England.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorised representatives as of the day and year first above written.

Signed by Shane Law,
duly authorised
for and on behalf of
Patron Capital Advisers LLP

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Signed by,
duly authorised
for and on behalf of
Punch Taverns plc

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Signed by ED BASHFORTH
duly authorised
for and on behalf of
Punch Taverns plc

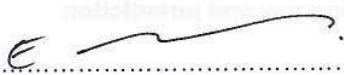
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Exhibit A

Representative's Letter

_____ 2016

Punch Taverns plc

-and-

Patron Capital Advisers LLP

Dear Sirs:

In consideration of certain information being provided and continuing to be provided, the undersigned agrees to be bound, in its capacity as a Representative (as defined in the Agreement attached hereto) of [Punch Taverns plc / Patron Capital Advisers LLP], by the confidentiality provisions of such Agreement.

Yours faithfully

By: _____

Name:

Title: