

ScS Group P.L.C. (the “**Target**”)
45-49 Villiers Street
Sunderland
SR1 1HA

Poltronesofà S.p.A. (the “**Bidder**”)
Via Lunga n. 16
Crespellano 40053
Valsamoggia
Bologna
Italy

10 September 2023

To whom it may concern,

Project Swan

The Target and the Bidder (individually a “**Party**” and collectively the “**Parties**”) wish to discuss the possibility of an acquisition by the Bidder or a member of its Group of the entire issued and to be issued share capital of Target for consideration comprising cash (the “**Transaction**”). To facilitate these discussions the Target is to provide the Bidder with certain Confidential Information (as defined below).

In consideration of the Target agreeing to make available certain Confidential Information to the Bidder, the Bidder agrees with and undertakes to the Target on the terms of this letter.

1. DEFINITIONS

1.1 In this letter:

“**acting in concert**” shall be construed in accordance with the Code;

“**Adviser**” means in relation to a person, its financial advisers, legal advisers, accountants and other professional advisers retained by it who may reasonably require access to Confidential Information for the purposes of evaluating, negotiating, advising upon or implementing the Transaction including (unless the context otherwise requires) partners in and directors, officers and employees of, consultants to, and individuals seconded to work for, such advisers or other Companies within its Group (including persons who, at the time of receipt of Confidential Information, occupied such position);

“**Associate**” in relation to either Party, means:

- (a) any person within the same Group as that Party; or
- (b) any person in which such Party would by virtue of section 823 of the Companies Act be taken to be interested,

in each case who may reasonably require access to Confidential Information for the purposes of evaluating, negotiating, advising upon or implementing the Transaction;

“**CJA**” means the Criminal Justice Act 1993 (as amended from time to time);

“**Code**” means the City Code on Takeovers and Mergers, as applied by the Panel from time to time;

“**Company**” means a body corporate, wherever incorporated;

“**Companies Act**” means the Companies Act 2006 (as amended from time to time);

“**Confidential Information**” means this letter (including its existence and contents) and all information (whether oral, written or in any other form) relating to the Target, each member of its Group or its or their businesses, made available by the Target (or any of its Associates, Representatives or Advisers) to the Bidder (or any of its Associates, Representatives or Advisers), in accordance with the terms of this letter on or after the date of this letter, for the purpose of evaluating, negotiating, advising upon or implementing the Transaction, together with: (i) any information to the extent derived from such information; and (ii) any analyses, compilations, studies, interpretations, records, notes and other material prepared by the Bidder or any of its Associates, Representatives or Advisers to the extent they contain, otherwise reflect or are generated from such information, but in each case shall not include information which:

- (a) is publicly available at the time it is made available to the Bidder, or any of its Associates, Representatives or Advisers, or subsequently becomes generally available to the public other than as a result of disclosure or other act or omission by the Bidder or any of its Associates, Representatives or Advisers contrary to their respective obligations of confidentiality hereunder; or
- (b) was lawfully available to the Bidder, or any of its Associates, Representatives or Advisers, prior to the supply of Confidential Information by or on behalf of the Target, and which is free of any restrictions to the Target as to its use or disclosure; or
- (c) becomes lawfully available to the Bidder, or any of its Associates, Representatives or Advisers from a source other than the Target or any of its Associates, Representatives or Advisers, which source is (so far as the Bidder is aware) not bound by any obligation of confidentiality to the Target or any other member of its Group in relation to such information; or
- (d) the Target has agreed in writing not to treat as Confidential Information;

“**Confidential Personal Data**” means any Personal Data contained or referred to in the Confidential Information;

“**Data Protection Laws**” means the following legislation to the extent applicable: (i) the General Data Protection Regulation (EU) 2016/679 (the “**GDPR**”) and any national laws supplementing the GDPR; (ii) the UK General Data Protection Regulation as defined by the Data Protection Act 2018 as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (the “**UK GDPR**”) and any national laws supplementing the UK GDPR; (iii) national laws implementing the Directive on Privacy and Electronic Communications (2002/58/EC) (as amended by Directive 2009/136); including The Privacy and Electronic Communications (EC Directive) Regulations 2003; and (iv) any other data protection or privacy laws, regulations, regulatory guidance applicable to the processing of Personal Data, each as amended and/or replaced from time to time;

“**EUWA**” means the European Union (Withdrawal) Act 2018;

“**FSMA**” means the Financial Services and Markets Act 2000;

“**Group**” means, in relation to any Company, any Company which is a Holding Company or Subsidiary of such Company, as the case may be, or any Subsidiary of any such Holding Company;

“**Holding Company**” shall bear the meaning given to it in section 1159 of the Companies Act;

“**interest**” in shares or securities shall be construed in accordance with the Code;

“**Law**” means any law, regulation, order of a court of competent jurisdiction, competent governmental, judicial or regulatory body (including the Panel) or other authority, stock exchange rule or the provisions of the Code, the Rules or the requirements of any national, supranational, foreign, federal, state or local governmental entity;

“**MAR**” means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (and, with respect to the United Kingdom, as it forms part of domestic law in the United Kingdom by virtue of the EUWA);

“**Official List**” means the list maintained by the Financial Conduct Authority in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;

“**Offer**” has the meaning given in the Code;

“**Panel**” means the UK Panel on Takeovers and Mergers;

“**Personal Data**” means: (i) any information relating to a (directly or indirectly) identified or identifiable natural person; and (ii) any other information defined as “personal data” or any similar or equivalent term (e.g. “personal information” or “personally identifiable information”) under any applicable Law;

“**Representatives**” means, in relation to any person, the directors, employees, consultants of, and individuals seconded to work for, such person or other member of its Group who may reasonably require access to Confidential Information for the purposes of evaluating, negotiating, advising upon or implementing the Transaction (including persons who, at the time of receipt of Confidential Information, occupied such position), but (for the avoidance of doubt) shall not include the Advisers of such person;

“**Rules**” means the Rules of the London Stock Exchange plc and the Listing Rules published pursuant to FSMA relating to admission to the Official List; and

“**Subsidiary**” shall bear the meaning given to it in section 1159 of the Companies Act.

1.2 For the purposes of this letter:

- (a) references to Clauses are to clauses of this letter; and
- (b) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

1.3 For the purposes of Clause 4 (*Use of Confidential Information*), the terms “**controller**”, “**data subject**”, “**personal data breach**”, “**process**” (and its cognates), “**third country**”, “**supervisory authority**” and any similar terms shall have the meanings given to them in the Data Protection Laws.

2. **SUPPLY AND OWNERSHIP OF CONFIDENTIAL INFORMATION**

The Target and any of its Associates, Representatives and Advisers may make available to the Bidder and any of its Associates, Representatives and Advisers certain Confidential Information relating to the Target and its Group to enable the Parties to evaluate, negotiate, advise upon or implement the Transaction. Any Confidential Information so provided will

remain the exclusive property of the Target or the member of its Group providing it, which reserves all rights in such Confidential Information. Nothing in this letter shall be construed to grant any rights in or licences to any Confidential Information or any present or future intellectual property rights, including any patent, trademark or copyright.

3. **DUTY OF CONFIDENTIALITY**

Subject to Clause 5 (*Exceptions*):

- (a) the Bidder will, and will procure that each of its Associates, Representatives and Advisers will, hold all Confidential Information; and
- (b) each of the Parties will, and will procure that each of its respective Associates, Representatives and Advisers will, hold all information relating to the terms, conditions or other facts with respect to the Transaction (including the fact that discussions and negotiations have taken place, are taking place or will take place with respect to the Transaction),

in strict confidence and will not disclose or distribute (or allow any other person to do the same) any such information to any person other than to its Associates, Representatives or Advisers, and then in each such case only to such individuals as may be necessary for the purpose of evaluating, negotiating, advising upon or implementing the Transaction.

4. **USE OF CONFIDENTIAL INFORMATION**

4.1 Subject to Clause 5 (*Exceptions*), the Bidder will not, and will procure that none of its Associates, Representatives or Advisers will, use any of the Confidential Information other than in connection with evaluating, negotiating, advising upon or implementing the Transaction and the conduct of negotiations in relation thereto.

4.2 To the extent that any Confidential Information may include material subject to the solicitor-client privilege, attorney-client privilege, work product doctrine or any other applicable privilege concerning pending or threatened legal proceedings or governmental investigations, the Parties understand and agree that they have a commonality of interest with respect to such matters and it is their desire, intention and mutual understanding that the sharing of such material is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or its continued protection under the solicitor-client privilege, attorney-client privilege, work product doctrine or other applicable privilege. All Confidential Information provided by the Target (or any of its Associates, Representatives or Advisers) that is entitled to protection under the solicitor-client privilege, attorney-client privilege, work product doctrine or any other applicable privilege and stamped and identified as such shall remain entitled to such protection under these privileges, this letter and under the joint defense doctrine. Nothing in this letter obliges any Party to reveal material subject to the solicitor-client privilege, the attorney-client privilege, the work product doctrine or any other applicable privilege.

4.3 With respect to Confidential Personal Data:

- (a) the Bidder shall act as a separate and independent controller and comply with all applicable requirements set out under Data Protection Laws and the terms of this letter in relation to the processing of the Confidential Personal Data;
- (b) the Bidder will solely process Confidential Personal Data for the purpose of evaluating, negotiating, advising upon or implementing the Transaction and for no other purpose

including, without limitation, to compete with the Target or its Group in connection with any business carried on by the Target or its Group;

- (c) the Bidder shall, on request, provide the Target with all reasonable assistance, information and cooperation to enable the Target to meet applicable obligations under and demonstrate compliance with Data Protection Laws with respect to any Confidential Personal Data;
- (d) where the Bidder further shares or transfers Confidential Personal Data, whether intra-Group or to a third party, the Bidder will ensure that appropriate contractual safeguards (including, as applicable, a GDPR / UK GDPR-compliant data processing agreement) are put in place to protect such further sharing or transferring of Confidential Personal Data;
- (e) the Bidder will implement appropriate technical and organisational security measures in relation to the processing of the Confidential Personal Data, which shall ensure a level of security appropriate to the risk as required under Data Protection Laws; and
- (f) the Bidder will notify the Target: (i) promptly if the Bidder receives a request from a data subject to exercise their rights under Data Protection Laws; and (ii) without undue delay (and in any event within forty eight (48) hours) if the Bidder becomes aware of, or reasonably suspects, a personal data breach affecting the Confidential Personal Data.

5. EXCEPTIONS

5.1 The obligations of the Bidder set out in Clauses 3 (*Duty of Confidentiality*) and 4 (*Use of Confidential Information*) shall not apply:

- (a) if and to the extent that the Bidder is required by Law to disclose any Confidential Information in a press release, announcement or otherwise; or
- (b) to the extent the Target consents in writing to the disclosure of any Confidential Information prior to such information being disclosed,

provided that, in the event that the Bidder or any of its Associates, Representatives or Advisers is so required by Law to disclose the existence of any negotiations or proposals relating to the Transaction or any Confidential Information, notice of such fact, shall be given as soon as reasonably practicable by the Bidder to the Target unless such notification would be unlawful and, if lawful and reasonably practicable, the Bidder shall consult in good faith with the Target prior to disclosure, provided, however, that if the Bidder is unable to consult with the Target before disclosure is made, the Bidder shall, to the extent permitted by Law or any applicable Rules: (i) inform the Target of the circumstances, timing, content and manner of making the disclosure promptly after such disclosure has been made; and (ii) disclose only such portion of such Confidential Information which its legal advisers advise that the Bidder is compelled to disclose and any such other information that is unavoidable to disclose in making such disclosure.

5.2 Nothing in this letter will prevent the Bidder from making a public announcement required by the Panel or from making any public announcement of the type contemplated by Rule 2.2 of the Code.

6. SURRENDER OR DESTRUCTION OF CONFIDENTIAL INFORMATION

6.1 The Bidder will, upon the written request of the Target, promptly, and in any event within 10 business days following receipt of such written request, either (at the Bidder's election):

- (a) deliver, or procure the delivery to the Target or to its order of; or
- (b) use all reasonable endeavours to destroy or procure the destruction of,

all written, electronic or other tangible Confidential Information provided to the Bidder, or any of its Associates, Representatives or Advisers by or on behalf of the Target or any member of its Group and will not retain any copies, extracts, summaries, analyses, compilations, reports or other reproductions, in whole or in part, of such written, electronic or other tangible Confidential Information except and to the extent otherwise required by Law or requirements of any professional body or so as to comply with a bona fide records retention policy.

6.2 The Bidder will, as soon as reasonably practicable upon the written request of the Target, destroy all documents, memoranda, notes and other records whatsoever (other than documents, memoranda, notes and other records whatsoever which the Bidder, or any of its Associates, Representatives or Advisers is required to retain by Law or requirements of any professional body or so as to comply with a bona fide records retention policy) prepared by the Bidder, or any of its Associates, Representatives or Advisers to the extent containing or reflecting or derived from any Confidential Information or any negotiations relating to the Transaction ("**Relevant Material**").

6.3 To the extent that any Relevant Material is not so destroyed or delivered, notwithstanding the provisions of Clause 14, the Relevant Material will continue to be held by the Bidder, or any of its Associates, Representatives or Advisers in confidence on and subject to the terms of this letter for a period of 36 months after the termination of discussions between the Parties relating to the Transaction. For the avoidance of doubt, Confidential Information in non-written form shall remain subject to the terms of this letter following the return or destruction of all written material. References to writing or written material in this Clause 0 (*Surrender or destruction of Confidential Information*) include material stored electronically.

7. OBLIGATION TO PROCURE COMPLIANCE

The Bidder will procure that each of its Representatives, Advisers or Associates and any individual to whom it makes any Confidential Information available is aware of and adheres to the confidentiality obligations imposed by this letter as if it were a party hereto and the Bidder shall be responsible for any breach thereof by any of its Associates, Representatives or Advisers and any such individual.

8. CONFIRMATIONS AND UNDERTAKING

8.1 The Bidder confirms that it is acting as principal in relation to the Transaction and not as agent, intermediary or broker for any third party.

8.2 The Bidder undertakes that it will notify the Target as soon as reasonably practicable on becoming aware that Confidential Information has been disclosed to or obtained by a third party (otherwise than as permitted by this letter).

8.3 Neither Party shall be responsible for any costs incurred by or on behalf of the other Party or any of its Associates, Representatives or Advisers.

9. **NO REPRESENTATION OR WARRANTY OR RIGHTS**

- 9.1 The Bidder will be responsible for making its own decision in respect of Confidential Information. Neither the Target nor any of its Associates, Representatives or Advisers has made or accepts responsibility for, or makes or will make or is authorised to make, any representation or warranty (express or implied) with respect to the accuracy, reliability, completeness or reasonableness of the Confidential Information (other than as expressly set out in any agreement subsequently entered into between the Parties). The Bidder agrees that any purported representation or warranty made in breach of the foregoing shall not be relied upon as having been authorised by the Target, or any of its Associates, Representatives or Advisers and that neither the Target nor any of its Associates, Representatives or Advisers shall have any liability with respect to the Confidential Information. The Bidder hereby agrees that neither the Target nor any of its Associates, Representatives or Advisers owe any duty of care to the Bidder or any of its Associates, Representatives or Advisers or any other person.
- 9.2 The Bidder hereby acknowledges and agrees that neither the Target nor any of its Associates, Representatives or Advisers shall be under any obligation to provide any information, to update any information provided or to correct any inaccuracies which may become apparent in any such information or to enter into or continue discussions or negotiations in respect of the Transaction.
- 9.3 Nothing in this letter shall exclude any liability for, or remedy in respect of, fraud or fraudulent misrepresentation.

10. **REMEDIES**

The obligations contained in this letter are in addition to any other obligations which the Bidder may have under Law or otherwise. Without prejudice to any other rights or remedies that it may have, the Bidder acknowledges and agrees that the Target may be irreparably harmed by the breach of any provision hereof and that damages may not be an adequate remedy for any breach by it of the provisions of this letter. Accordingly, the Target (or a member of its Group) may be entitled to seek the remedies of injunction, specific performance and other equitable relief, for any threatened or actual breach of the provisions of this letter by the Bidder.

11. **INSIDE INFORMATION**

- 11.1 The Bidder acknowledges that the Confidential Information may (in whole or in part) constitute inside information for the purposes of Part V of the CJA and MAR and that any of its Associates, Representatives or Advisers which is in, or acquires, possession of any Confidential Information may have information as an insider for the purposes of the CJA and inside information for the purposes of MAR. The Bidder consents to receiving such information and shall bring to the attention of its Representatives and Advisers the prohibitions on insider dealing contained in the CJA and the prohibitions on markets abuse set out in MAR.
- 11.2 The Bidder shall not, and shall procure that none of its Associates, Representatives or Advisers shall:
- (a) make any use of the Confidential Information for the purposes of dealing or encouraging another person to deal in any Securities; or
 - (b) engage in insider dealing (within the meaning of the CJA or MAR) or any other behaviour amounting to market abuse within the meaning of MAR based on any Confidential Information.

11.3 The Bidder acknowledges and confirms that it is aware of its obligations under all applicable laws and regulations relating to unpublished, price-sensitive information.

12. **Standstill**

12.1 Subject to Clause 12.2 below and without prejudice to any obligations the Bidder may have under the Code, for a period of six (6) months from the date of this letter the Bidder will not (and will procure that no member of its Group will) either alone or with other persons, directly or indirectly:

- (a) acquire, procure or induce any other person to acquire any interest in securities of the Target (“**Relevant Securities**”);
- (b) enter into any agreement, arrangement or understanding (whether legally binding or not) or do or omit to do any act as a result of which it or any other person may acquire an interest in the Relevant Securities;
- (c) make, procure or induce any other person to make any Offer for all or any of the Relevant Securities;
- (d) enter into any agreement, arrangement or understanding (whether legally binding or not), or do or omit to do any act as a result of which the Bidder or any other person may become obliged to make an Offer (whether under the Code or otherwise) for all or any of the Relevant Securities;
- (e) announce, procure or induce any other person to announce any Offer for all or any of the Relevant Securities (save as required by law or any governmental or regulatory authority, including, without limitation, any relevant securities exchange and the Panel);
- (f) enter into any agreement, arrangement or understanding (whether legally binding or not), or do or omit to do any act as a result of which it or any other person may become obliged to announce an Offer (whether under the Code or otherwise) for all or any of the Relevant Securities;
- (g) enter into any agreement, arrangement or understanding (whether legally binding or not) which imposes obligations or restrictions on any party to such agreement, arrangement or understanding with respect to the exercise of voting rights attaching to any of the Relevant Securities; or
- (h) contact or communicate with any shareholder of the Target in connection with the Transaction, provided that the restrictions in this Clause 12.1(h) will not, provided always that the Bidder has first sought and obtained the prior consent of either Shore Capital or the Target prior to approaching any shareholder of the Target, restrict the Bidder or its Representatives from approaching any shareholder of the Target in the 72 hours prior to the announcement of a firm intention to make an Offer by the Bidder or any member of its Group that, at the time of the announcement, is to be recommended by the directors of the Target in order to seek any letter of support or irrevocable undertaking to vote in favour of such Offer.

12.2 The restrictions in Clause 12.1 will not apply:

- (a) if the Target has provided its prior written consent to the actions taken by or on behalf of the Bidder;

- (b) so as to prevent any of the Bidder's or member of its Group's Advisers from taking any action in the normal course of that person's investment or advisory business, provided such action is not taken on the instructions of, or otherwise in conjunction with or on behalf of, the Bidder or anyone else in receipt of Confidential Information;
 - (c) from the time of any announcement of a firm intention to make an Offer by the Bidder or any member of its Group for all or part of the share capital of the Target that, at the time of the announcement, is to be recommended by the directors of the Target;
 - (d) from the time a third party (other than the Bidder or any member of its Group) makes a firm intention to make an Offer announcement for the Target;
 - (e) if any third party (together with its concert parties) becomes interested in shares carrying 30% or more of the voting rights of the Target;
 - (f) so as to prevent the Bidder, or any member of its Group or any of its or their Advisers or agents, from acquiring any company which holds, or is interested in, any Relevant Securities except where the principal reason for the purchase is to acquire an interest in Relevant Securities.
- 12.3 If the Bidder or any member of its Group acquires any interest in securities of the Target in breach of Clause 12.1 then, on request by the Target, the Bidder will dispose of or procure the disposal of such interest within 30 days.
- 12.4 For the avoidance of doubt, Clause 12.1 will not apply to any of the Bidder's Advisers but will apply to any member of the Bidder's Group.

13. **GOVERNING LAW AND JURISDICTION**

This letter (and any dispute, controversy, proceedings or claim of any nature arising out of or in connection with it, including non-contractual disputes and claims) is governed by and shall be construed in accordance with English law. Each of the Parties hereto irrevocably submits to the exclusive jurisdiction of the English courts.

14. **DURATION OF LETTER**

Unless otherwise specifically stated to the contrary, the provisions of this letter shall continue in effect notwithstanding any decision by either or both of the Parties hereto not to proceed with the Transaction or any return or destruction of the Confidential Information and shall terminate 24 months after the termination of discussions between the Parties relating to the Transaction.

15. **THIRD PARTY RIGHTS AND ASSIGNMENT**

- 15.1 Each of the Parties' respective Associates, Representatives and Advisers shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce the terms of Clause 9 (*No representation or warranty or rights*) of this letter.
- 15.2 Save as provided in Clause 15.1, a person who is not a party to this letter (such party being a "**Third Party**") shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
- 15.3 Notwithstanding Clauses 15.1 and 15.2, or any benefits conferred by this letter on a Third Party by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise, the Parties do not

require the consent of any Third Party to terminate, rescind, waive or vary or agree to any settlement in relation to this letter or any term thereof at any time.

- 15.4 The provisions of this letter shall be binding upon the successors of each of the Parties hereto. Neither Party shall be entitled to assign any rights or obligations under this letter.

16. **WAIVER**

No failure or delay by any Party (or a member of its Group) in exercising any remedy, right, power or privilege under this letter shall operate as a waiver thereof nor shall any single or partial exercise preclude any further exercise of any remedy, right, power or privilege hereunder or otherwise.

17. **SEVERABILITY OF PROVISIONS**

If any term or provision of this letter shall be held to be illegal or unenforceable, in whole or in part, under any Law, such term or provision or part shall to that extent be deemed not to form part of this letter but the enforceability of the remainder of this letter shall not be affected.

18. **COUNTERPARTS**

This letter may be executed in counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this letter, but the counterparts shall together constitute one and the same instrument.



ScS GROUP PLC AGREEMENT AND ACKNOWLEDGEMENT

ScS GROUP P.L.C. hereby acknowledges receipt of, and agrees with and undertakes to **POLTRONESOFÀ S.P.A.** on the terms of this letter.

SIGNED by

on behalf of **ScS GROUP P.L.C.**

Dated: 10 September 2023

[Signature page to NDA]

Yours faithfully,

SIGNED by

on behalf of **POLTRONESOFÀ S.P.A.**

ScS GROUP PLC AGREEMENT AND ACKNOWLEDGEMENT

ScS GROUP P.L.C. hereby acknowledges receipt of, and agrees with and undertakes to **POLTRONESOFÀ S.P.A.** on the terms of this letter.



Dated: 10 September 2023