

The Directors  
STRABAG UK Limited  
The Tower - 3rd Floor  
65 Buckingham Gate  
London  
SW1E 6AS

9 April 2026

Dear Sirs

## **Acquisition of Van Elle Holdings plc by STRABAG UK Limited**

### **1. Introduction**

- 1.1 This letter relates to the offer by STRABAG UK Limited ("**Bidder**") to acquire the entire issued and to be issued ordinary share capital of Van Elle Holdings plc ("**Target**") (the "**Acquisition**"). It is assumed for the purposes of this letter that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**").
- 1.2 The purpose of this letter is to record that Target and Bidder intend and, where stated, agree that the following arrangements and acknowledgements, will, subject to the Scheme having become effective pursuant to and in accordance with its terms, apply to the Target Share Plans (as defined in paragraph 2.1 below) and employees of the Target Group and to document various other arrangements between Target and Bidder.
- 1.3 In the event that the Acquisition is effected by means of a takeover offer (within the meaning of section 974 of the Companies Act 2006) ("**Takeover Offer**"), references to the date of the Court Sanction Hearing, the Scheme Record Time or the Effective Date will be read as if they referred to the date on which the Takeover Offer becomes or is declared wholly unconditional in all respects.
- 1.4 The acknowledgements, undertakings and agreements by Bidder in paragraphs 2.4, 2.6, 2.8 - 2.9, 3.1 - 3.4, 4.1, 5.1 - 5.2, 6.2, 7.1, 8.1 and 9.1 of this letter do not impose contractual restrictions or obligations on any member of the Target Group or their boards of directors.
- 1.5 Unless otherwise defined in this letter, words and expressions will have the same meaning as set out in the announcement of the Offer published by Target and Bidder under Rule 2.7 of the UK City Code on Takeovers and Mergers (the "**Takeover Code**") on the date of this letter (the "**Announcement**").

### **2. Target Share Plans**

- 2.1 This letter refers to the following share schemes operated by Target: (i) the Van Elle Holdings plc Long Term Incentive Plan 2016 (the "**LTIP**"); (ii) the Van Elle Holdings plc Company Share Option Plan 2016 (the "**CSOP**"); and (iii) the Van Elle Holdings plc Sharesave Plan 2019 (the "**Sharesave**"), each as amended from time to time (together, the "**Target Share Plans**").
- 2.2 Column (3) in the schedule to this letter sets out details of the options and awards over Target Shares outstanding under the Target Share Plans ("**Awards**") as at the Last Practicable Date.
- 2.3 Target confirms that no additional Awards over Target Shares have been granted since 2 September 2025.
- 2.4 Bidder acknowledges that, before the Effective Date, subject to Rule 21.1 of the Takeover Code and the consent of the UK Panel on Takeovers and Mergers (the "**Panel**") where applicable, Target shall operate the Target Share Plans in the ordinary course of its business, in accordance with the rules of the relevant scheme and Target's historical and normal practice. For the avoidance of doubt, the operation of the Target Share Plans includes

(without limitation): issuing invitations and granting new Awards, determining the extent to which Awards vest and satisfying the vesting and/or exercise of Awards, and determining the treatment of Awards held by leavers in the ordinary course.

- 2.5 Notwithstanding paragraph 2.4, Target confirms that it has no current intention to make any further grants of Awards under the Target Share Plans or any other share option or share incentive scheme before the Effective Date.
- 2.6 Target and Bidder acknowledge that:
- 2.6.1 the Scheme Record Time shall take place after the date of the Court Sanction Hearing, to allow those participants in the Target Share Plans who acquire Target Shares on or before the date of the Court Sanction Hearing to have those Target Shares acquired by the Bidder through the Scheme;
- 2.6.2 subject to Rule 21.1 of the Takeover Code, although no amendments are currently proposed, Target may make technical or administrative amendments to the rules of the Target Share Plans, in accordance with the rules of the relevant Target Share Plans(s), if the remuneration committee of the Target Board from time to time (the "**Remuneration Committee**") is of the opinion that such amendments are necessary or desirable to implement the Scheme, facilitate the administration of the Target Share Plans or obtain or maintain favourable tax treatment for participants or for Target; and
- 2.6.3 in the context of the Acquisition, the Bidder will make appropriate proposals to participants in the Target Share Plans in accordance with Rule 15 of the Takeover Code. Target and Bidder intend to write jointly to participants in the Target Share Plans on, or as soon as practicable after, the posting of the Scheme Document to inform them of the impact of the Scheme on their outstanding Awards, the extent to which their Awards will vest and/or become exercisable as a result of the Scheme and any actions that they may need to take in connection with their Awards as a result of the Scheme.
- 2.7 Target intends to seek shareholder approval for an amendment to the articles of association of Target so that any Target Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, Bidder in exchange for the provision by Bidder of the same Consideration payable per Target Share under the Scheme.
- 2.8 Bidder acknowledges that if, for any reason, Target Shares cannot be issued or transferred from Target's employee benefit trust ("**Trust**") when Awards vest and/or are exercised under any of the Target Share Plans or the Remuneration Committee considers it appropriate (taking into account any corporation tax deduction which may arise on the exercise of such Awards), such Awards may be settled by Target in cash.
- 2.9 Bidder acknowledges that Target may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this letter, and Bidder agrees to cooperate promptly and in good faith and provide reasonable assistance in the making of any such submission upon request. Save where otherwise stated, Bidder's acknowledgements in this letter shall not comprise consent for the purposes of Rule 21 of the Takeover Code.
3. **LTIP**
- 3.1 Bidder acknowledges that all Awards granted under the LTIP on 30 September 2020 are vested and exercisable in accordance with their terms.
- 3.2 Bidder acknowledges that, if Awards outstanding under the LTIP vest in the ordinary course of business prior to the date of the Court Sanction Hearing, the extent to which such Awards vest is to be determined solely by the Remuneration Committee, in accordance with the rules of the LTIP and Target's normal practice.
- 3.3 Bidder acknowledges that, subject to the terms of this letter, the extent to which Awards outstanding under the LTIP that have not vested or become exercisable prior to the date of

the Court Sanction Hearing will vest and/or become exercisable (as applicable) in connection with the Acquisition is to be determined solely by the Remuneration Committee, in accordance with the rules of the LTIP.

- 3.4 Bidder acknowledges that it is the current intention of the Remuneration Committee to determine that:
- 3.4.1 all unvested Awards granted under the LTIP on 4 September 2023, 2 September 2024 and 2 September 2025 will vest in connection with the Acquisition with no application of time pro-rating;
  - 3.4.2 all unvested Awards granted under the LTIP on 7 November 2024, upon vesting in connection with the Acquisition, will be time pro-rated in accordance with the rules of the LTIP; and
  - 3.4.3 the satisfaction of performance conditions which apply to unvested Awards granted under the LTIP that vest in connection with the Acquisition will be assessed by the Remuneration Committee on, or shortly prior to, the date of the Court Sanction Hearing in accordance with the rules of the LTIP, and it is the current expectation of the Remuneration Committee that: (i) all Awards granted under the LTIP on 4 September 2023 will vest at a level which is no less than 14.4%; (ii) all Awards granted under the LTIP on 2 September 2024 will vest at a level which is no less than 32.7%; (iii) all Awards granted under the LTIP on 7 November 2024 will vest at a level which is no less than 59.9%; (iv) all Awards granted under the LTIP on 2 September 2025 to the executive directors of Target will vest at a level which is no less than 100%; and (v) all Awards granted under the LTIP on 2 September 2025 (save for those specified in limb (iv) above) will vest at a level which is no less than 50%, and in each case, Bidder agrees to that outcome. The vesting levels set out in this paragraph 3.4.3 would correspond to the number of Target Shares shown in column (4) in the schedule to this letter.

#### 4. **CSOP**

- 4.1 Bidder acknowledges that all Awards granted under the CSOP on 26 October 2016 with an exercise price of £1.00 per Target Share, 20 January 2017 with an exercise price of £1.19 per Target Share and 16 August 2019 with an exercise price of £0.405 per Target Share are vested and exercisable in accordance with their terms.

#### 5. **Sharesave**

- 5.1 Subject to paragraph 5.2, Bidder acknowledges that all Awards granted under the Sharesave on 1 April 2023 with an exercise price of £0.404 per Target Share have matured and are exercisable in accordance with their terms.
- 5.2 Bidder acknowledges that Awards granted under the Sharesave on 1 April 2023 to two employees of the Target Group have not matured as of the date of the Announcement due to the relevant participants electing to a temporary postponement of their contributions (as permitted by HM Revenue and Customs). Bidder acknowledges that the extent to which Awards outstanding under the Sharesave that have not matured and become exercisable prior to the date of the Court Sanction Hearing will become exercisable in connection with the Acquisition to the extent of the participants' savings at the time of exercise and will lapse thereafter.

#### 6. **Trust /Settlement**

- 6.1 As at the Last Practicable Date, the Trust held approximately 1,192,449 Target Shares and £2,531.25 in cash (the "**Cash Amount**").
- 6.2 Bidder and Target acknowledge that the expectation is that Target will recommend that the trustee of the Trust use the Target Shares held in the Trust to satisfy the vesting and/or exercise of outstanding Awards in connection with the Acquisition, in priority to the issue of

new Target Shares or to the transfer out of treasury of Target Shares held by Target. The parties acknowledge that to the extent there are insufficient Target Shares in the Trust to satisfy outstanding Awards, Target intends to recommend the trustee of the Trust to use the Cash Amount to the extent necessary to subscribe for new Target Shares or purchase existing Target Shares to satisfy outstanding Awards.

**7. Retention arrangements**

7.1 Bidder acknowledges that for the purpose of protecting the business to be acquired pursuant to the Acquisition, Target may make cash retention awards, up to a maximum aggregate of £64,000 (gross) to current employees of the Target Group (other than the executive directors of Target) whose retention is considered of significant importance to the business (the "**Retention Awards**"). If required, Bidder consents to these arrangements for the purposes of Rule 21.1 of the Takeover Code on the basis that the Retention Awards will be subject to deduction for income tax and National Insurance contributions. The Bidder further consents, if required, for the purposes of Rule 21.1 of the Takeover Code that such Retention Awards will be paid within 30 days of the Effective Date (the "**Payment Date**") subject to the relevant employee being employed by the Target Group on the Payment Date and not being under notice on the Payment Date.

**8. Non-executive director notice pay**

8.1 Bidder acknowledges that it is Target's intention to make a payment in lieu of notice, within 30 days of the Effective Date, to any non-executive director of Target who resigns on, or otherwise with effect from, the Effective Date in connection with the Acquisition and does not join the board of Bidder on the Effective Date. If required, Bidder consents to these arrangements for the purposes of Rule 21.1 of the Takeover Code on the basis that the payments in lieu of notice will be subject to deduction for income tax and National Insurance contributions.

**9. Non-executive director additional fees**

9.1 Bidder acknowledges that, in consideration and recognition of the additional work carried out in connection with the Acquisition (above and beyond their normal duties and responsibilities), Target has agreed to pay additional one-off fees up to an aggregate amount of £95,000 (gross), to the non-executive directors of Target (the "**One-off Additional Fees**"), of which £45,000 will become payable to Frank Nelson and £25,000 will become payable to each of David Hurcomb and Charles St John. If required, Bidder consents to these arrangements for the purposes of Rule 21.1 of the Takeover Code, on the basis that the One-off Additional Fees will be subject to deduction for income tax and National Insurance contributions. The Bidder further consents, if required, for the purposes of Rule 21.1 of the Takeover Code, to the One-off Additional Fees being payable in the next practicable payroll after the Effective Date.

**10. Directors' and officers' insurance**

10.1 Bidder acknowledges that Target may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Target Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially the same as that provided under the Target Group's directors' and officers' liability insurance as at the date of this letter.

**11. Publication of the Announcement and terms of the Acquisition**

11.1 The terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Acquisition, which shall be at the sole discretion of Bidder) and, where required by the Takeover Code, approved by the Panel.

11.2 The parties agree that, if the Panel determines that any provision of this letter that requires the offeree company to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Takeover Code, that provision shall have no effect and shall be disregarded.

12. **Contracts (Rights of Third Parties) Act 1999**

12.1 Paragraphs 8.1, 9.1 and 10.1 of this letter (the "**Third Party Rights Provisions**") are intended to confer benefits on and be enforceable by the relevant Target employees (the "**Relevant Third Parties**").

12.2 Except as specified in paragraph 12.1 above, the parties to this letter do not intend that any term of this letter should be enforceable, by virtue of the Contract (Rights of Third Parties) Act 1999, by any person who is not party to this letter.

12.3 The parties shall not require the consent of any person (including any Relevant Third Party) other than the parties to vary or amend this letter, except for any variation or amendment of the Third Party Rights Provisions on or following the Effective Date, which shall require the consent of the affected Relevant Third Party.

13. **Entire agreement**

13.1 This letter and any documents referred to herein, constitute the entire agreement between the parties in relation to the subject matter of this letter and, save as may be expressly referred to herein, supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, relating thereto.

14. **Governing law**

14.1 This letter shall be governed by and construed in accordance with English law. Any matter, claim or dispute, whether contractual or non-contractual, arising out of or in connection with this letter is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.

14.2 It is the intention of each of the parties that this letter be executed and delivered as a deed.

**Schedule**

**Outstanding Awards over Target Shares as at the Last Practicable Date**

<b>(1) Target Share Plan</b>	<b>(2) Date of Grant</b>	<b>(3) Number of Target Shares subject to outstanding Awards</b>	<b>(4) Number of Target Shares expected to vest (to the extent not already vested) and become exercisable as a result of the Scheme <sup>1</sup></b>
<b>LTIP</b>	30 September 2020	1,035,166	1,035,166
	4 September 2023	1,149,499	165,528
	2 September 2024	1,191,397	389,587
	7 November 2024	1,000,000	599,415 <sup>2</sup>
	2 September 2025	1,274,504	1,274,504
	2 September 2025	2,144,712	1,072,356
<b>CSOP</b>	26 October 2016	580,000	580,000 <sup>3</sup>
	20 January 2017	84,030	84,030 <sup>3</sup>
	16 August 2019	332,500	332,500
<b>Sharesave</b>	01 April 2023	560,475	560,475
<b>Total =</b>		<b>9,352,283</b>	<b>6,093,561</b>

<sup>1</sup> The number of Target Shares shown in the LTIP rows reflect the Remuneration Committee’s current intentions as set out in paragraph 3.4.3 of this letter.


<sup>2</sup> The Bidder acknowledges that the Award granted under the LTIP on 7 November 2024 will be time pro-rated in accordance with the rules of the LTIP and therefore the final number of Target Shares that vest will depend on the date of the Court Sanction Hearing.

<sup>3</sup> Awards granted under the CSOP with an exercise price that is higher than the Acquisition Price and therefore not expected to be exercised.

**EXECUTED** as a **DEED** by )  
**VAN ELLE HOLDINGS PLC** )  
acting by two directors )



Director



Director

**EXECUTED** as a **DEED** by )  
**STRABAG UK LIMITED** )  
acting by two directors )



Director



Director