

DEED OF IRREVOCABLE UNDERTAKING

To: OneSavings Bank plc
Reliance House
Sun Pier
Chatham
Kent ME4 4ET ("you" or the "Offeror")

14 March 2019

Proposed offer for Charter Court Financial Services Group plc (the "Company") by OneSavings Bank plc

We, Elliott International L.P. and The Liverpool Limited Partnership, understand that the Offeror intends to announce a firm intention to make an offer, on or around the date of this deed, for the entire issued and to be issued ordinary share capital of the Company substantially on the terms and subject to the conditions set out in the attached draft offer announcement (the "**Offer Announcement**") (subject to the inclusion of any alternative or additional terms and conditions as may be required by the Applicable Requirements (as defined below) and/or as agreed between the Company and the Offeror) (together, the "**Combination**"). Capitalised terms not otherwise defined in this deed shall have the meanings given to them in the Offer Announcement.

All references in this undertaking to:

- (A) the "**Combination**" shall:
 - (i) mean the proposed acquisition by or on behalf of the Offeror or any of its subsidiaries or a new company incorporated by or on behalf of the Offeror (a "**NewCo**") of the shares in the Company, which acquisition is intended to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (referred to in this undertaking as the "**Scheme**"), but which may alternatively (with the consent of the Panel and subject to the conditions of the Co-operation Agreement) be made by way of takeover offer within the meaning of section 974 of the Companies Act 2006 (referred to in this undertaking as the "**Offer**") and, if made by or on behalf of a NewCo or a subsidiary, all references to the "**Offeror**" shall be deemed to include that NewCo or subsidiary (as applicable); and
 - (ii) include any revision or variation in the terms of any acquisition as referred to in sub-paragraph (A)(i) above which results in terms that are at least as favourable to shareholders of the Company as the terms set out in the Offer Announcement; and
- (B) the "**Applicable Requirements**" shall mean the requirements of the City Code, the Panel, any applicable law, the Court, the Companies Act, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules,

each made by the Financial Conduct Authority in exercise of its function as competent authority pursuant to Part VI of FSMA, the UK Listing Authority, the rules and regulations of the London Stock Exchange and/or the requirements of any other relevant regulatory authority (as applicable).

1. Warranties and undertakings

1.1 Subject to you publishing the Offer Announcement by 14 March 2019 (or such later time and/or date as the Company and the Offeror may agree), we irrevocably and unconditionally undertake, represent and warrant to the Offeror that:

- (A) we are the registered holder and/or the beneficial owner of (or are otherwise able to control the exercise of all rights, including voting rights and the ability to procure the transfer, attaching to) the number of ordinary shares in the capital of the Company set out in the first column of the table in the Appendix to this deed (the "**Shares**", which expression shall include any other shares in the Company issued after the date hereof and attributable to or derived from such shares);
- (B) we are not interested in, or otherwise able to control the exercise of rights attaining to, any shares or other securities of the Company other than the Shares;
- (C) we are able to transfer, or procure the transfer of, the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature;
- (D) we shall not, and shall procure that any person holding the Shares shall not:
 - (i) except pursuant to the Combination, sell, transfer, dispose of, charge, pledge, encumber, grant any option over or otherwise permit the sale, transfer, disposal of, charging, pledging, or other disposition or creation or grant of any other encumbrance or option or right, of, or over, all or any of such Shares or interest in such Shares, or accept any other offer in respect of all or any of such Shares (in each case, whether conditionally or unconditionally), prior to the conclusion of the later of the Court Meeting and the Charter Court General Meeting;
 - (ii) without the prior written consent of the Offeror, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company, prior to the earlier of the Combination closing (or, if applicable, becoming effective) or lapsing; and
 - (iii) subject to sub-paragraph 1.2, save for the Shares, acquire any shares or other securities of the Company, or interest (as defined in the City Code) in any such shares or securities, unless the Panel determines, and confirms to you, that in respect of such acquisition, we are not acting in concert with you under Note 9 on the definition of "acting in concert" set out in the City Code, and provided that, if any such shares, securities or interest is acquired by us in accordance with this sub-paragraph

1.1(D)(iii), such shares, securities or interest (as the case may be) shall be deemed to be included in the expression "**Shares**" for the purposes of this undertaking, prior to the earlier of the Combination closing (or, if applicable, becoming effective) or lapsing,

save that, provided we at all times undertake to retain our rights to vote under the Shares (other than in circumstances where a counterparty to a security agreement which we have entered into and which exists on the date of this deed or which may be created under the terms of financing arrangements relating to the Shares which we have entered into and existing as at the date of this deed (in each case an "**Existing Security Agreement**") enforces its rights under such Existing Security Agreement and, as a consequence, we no longer hold such rights), the restrictions in this sub-paragraph 1.1(D) shall not apply to:

- (a) the existing grant or any future granting of pledges, security or collateral ("**Pledges**") in relation to the financing of any of the Shares pursuant to the terms of an Existing Security Agreement;
 - (b) any transfers, sales, assignments, appropriations or dispositions otherwise of the Shares to or by a counterparty to an Existing Security Agreement pursuant to the terms of that Existing Security Agreement; and
 - (c) any transfers to third parties to whom a counterparty to an Existing Security Agreement seeks to rehypothecate the Shares, pursuant to the terms of that Existing Security Agreement;
- (iv) except pursuant to the Combination, enter into any agreement or arrangement or permit any agreement or arrangement to be entered into, or incur any obligation or permit any obligation to arise:
- (a) to do all or any of the acts referred to in sub-paragraphs 1.1(D)(i) and/or 1.1(D)(ii) and/or 1.1(D)(iii) above; or
 - (b) which would or might reasonably be expected to restrict or impede the closing of the Combination or otherwise preclude us from complying with our obligations as set out in this undertaking,

and references in this sub-paragraph 1.1(D) to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not subject to any conditions or which is to take effect upon or following the Combination closing (or, if applicable, becoming effective) or lapsing or upon or following this undertaking ceasing to be binding or upon or following any other event; and

- (E) we have full power and authority and the right (free from any legal or other restrictions) to enter into and perform our obligations under this undertaking in accordance with their terms.

- 1.2 We hereby undertake to provide you with reasonable assistance in connection with any approach which is made by you to the Panel for the purposes of establishing that you are not acting in concert with us in connection with the Combination under Note 9 on the definition of "acting in concert" set out in the City Code.

2. Approval of the Scheme

Subject to you publishing the Offer Announcement by 14 March 2019 (or such later time and/or date as the Company and the Offeror may agree), we irrevocably and unconditionally undertake and warrant, if the Combination is implemented by way of the Scheme, to the Offeror that:

- (A) we have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on each resolution (whether or not amended, and whether put on a show of hands or a poll) which is proposed at any general meeting (including any separate class meeting) of the Company (including any adjournment thereof) ("**General Meeting**") or at any meeting (including any separate class meeting) of holders of shares in the Company convened by a Court (including any adjournment thereof) ("**Court Meeting**") which:
- (i) is necessary to implement the Combination (which shall include any resolution to approve the Scheme);
 - (ii) would or might reasonably be expected to have any impact on the fulfilment of any condition to the Combination; or
 - (iii) would or might reasonably be expected to impede, frustrate or delay the Combination in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any shares in the Company by a third party); or
 - (iv) would or might otherwise impact on the success of the Combination,
- in such a way as will approve, support and give effect to the Combination;
- (B) we shall exercise, or, where applicable, procure the exercise of, all rights attaching to the Shares to requisition or join in the requisitioning of any general meeting of the Company for the purposes of voting on any resolution referred to under sub-paragraph 2(A) above, or to require the Company to give notice of any such meeting, in such a way as will approve, support and give effect to the Combination;
- (C) we shall after the dispatch of the circular to be sent to shareholders of the Company containing an explanatory statement in respect of the Scheme (the "**Scheme Document**") (and without prejudice to any right we have to attend and vote in person at the Court Meeting and the General Meeting to implement the Combination):

- (i) return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed, signed and voting in favour of the Scheme and all other resolutions to implement the Combination) in accordance with the instructions printed on those forms of proxy (and, 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 Company or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the Scheme and all other resolutions to implement the Combination)), as soon as possible, and in any event within seven (7) days, after the date of dispatch of the Scheme Document; and
 - (ii) not amend, revoke or withdraw any such proxy once it has been returned in accordance with sub-paragraph 2(C)(i); and
- (D) we shall promptly supply you with all information at our disposal reasonably required by you in connection with the implementation of the Scheme in order for you to comply with the Applicable Requirements and, as soon as practicable, notify you in writing of any material change of which we become aware in the accuracy or import of any information previously supplied to you by us.

3. Offer

We acknowledge that the Offeror may elect at any time (with the consent of the Panel and whether or not the Scheme Document has then been dispatched) to implement the Combination by way of the Offer, as opposed to by way of the Scheme, subject to and in accordance with the terms of the Co-operation Agreement. Accordingly, subject to you publishing the Offer Announcement by 14 March 2019 (or such later time and/or date as the Company and the Offeror may agree), we irrevocably and unconditionally undertake and warrant, if the Combination is implemented by way of the Offer, to the Offeror that our obligations under this deed shall apply *mutatis mutandis* to such Offer and, in particular, that:

- (A) upon the Offer being made, we will be able to accept or, where applicable, procure the acceptance of the Offer in respect of the Shares and to transfer the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature, and together with all rights now or hereafter attaching or accruing to them (including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid);
- (B) we shall as soon as possible, and in any event within ten (10) days, after the dispatch of the formal document containing the Offer (the "**Offer Document**") (or such shorter period as the Panel may determine to be the last date for satisfaction of the acceptance condition under the timetable for the Offer to apply following the election of the Offeror to implement the Combination by way of Offer) or, in respect of any shares allotted to us after the posting of the Offer Document, within ten (10) days of such allotment or acquisition, duly accept or procure acceptance

of the Offer in accordance with its terms in respect of the Shares (and, in respect of any Shares held in certificated form, shall forward the relevant share certificate(s) to the Offeror or its nominated representative (or a form of indemnity acceptable to the directors of the Company in respect of any lost certificate(s)) at the time of acceptance and, in respect of any Shares held in uncertificated form, shall take any action which may be reasonably required by the Offeror or its nominated representatives);

- (C) notwithstanding the provisions of the City Code or any terms of the Offer which confer rights of withdrawal on accepting shareholders, we shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised;
- (D) the Shares shall be acquired by the Offeror free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them (including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid); and
- (E) we shall promptly supply you with all information at our disposal reasonably required by you in connection with the Offer in order for you to comply with the Applicable Requirements and, as soon as practicable, notify you in writing of any material change of which we become aware in the accuracy or import of any information previously supplied to you by us.

4. Change in control approval

4.1 We acknowledge that, in respect of the Offeror and each other person required to give a notice under section 178 of FSMA in connection with the Combination, the Combination is conditional on the appropriate regulator(s) (as defined under section 178(2A) of FSMA) of each UK authorised person (as defined under section 191G of FSMA) over which the Combination contemplates an acquisition of or increase in control:

- (A) giving notice for the purposes of section 189(4)(a) of FSMA that it has determined to approve such acquisition of or increase in control, which (if given on any terms which may reasonably be expected to have an adverse impact on the Wider OSB Group or the Wider Charter Court Group) is on terms satisfactory to OSB (acting reasonably); or
- (B) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control;

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (SI 2009/774) (as amended from time to time) (together, the "Change in Control Condition").

- 4.2 Accordingly, subject to you publishing the Offer Announcement by or on 14 March 2019 (or such later time and/or date as the Company and the Offeror may agree), we undertake and warrant that we shall procure that all persons (including but not limited to ourselves) that are required to give notice under section 178 of FSMA in connection with the Combination by virtue of, or as a result of, the decision of Elliott International, L.P. and/or The Liverpool Limited Partnership (the "**Elliott Shareholders**") to acquire any, or increase their, interest in the New OSB Shares and/or any other acquisition of, or increase in, any interest in any UK authorised person by any Elliott Shareholder that is contemplated by the Combination (such persons together, the "**Wider Elliott Group**") take all reasonable steps (including, if required, any reasonable steps to fulfil any reasonable condition or requirement imposed by the PRA and/or the FCA (as applicable)) to satisfy, promptly after publication of the Offer Announcement and in any event before the Long Stop Date, the Change in Control Condition in respect of our and any other member of the Wider Elliott Group's interest in the New OSB Shares and any other acquisition of, or increase in control, by us or any other member of the Wider Elliott Group over any UK authorised person that is contemplated by the Combination.
- 4.3 Without prejudice to the generality of paragraph 4.2, we shall procure that we and the other members of the Wider Elliott Group:
- (A) submit, or procure the submission of, all notices to the PRA and/or the FCA required under section 178 of FSMA, in a form considered by us (acting reasonably) to be complete (subject to such updates or revisions that are required to be made to such notices but cannot be made at the point of submission), in respect of each member of the Wider Elliott Group's interest in the New OSB Shares and any other acquisition of, or increase in, control by any member of the Wider Elliott Group over any UK authorised person that is contemplated by the Combination (each such notice, a "**Change in Control Application**"), as soon as reasonably practicable, and in any event by 5.00 p.m. (London time) on the fifteenth (15th) Business Day following the publication of the Offer Announcement;
 - (B) keep the Offeror and the Company reasonably informed as to the progress of each Change in Control Application and, insofar as permitted by law, disclose in writing to the Offeror and the Company any information relating to the Change of Control Application which will, or is considered by us (acting reasonably) to be materially likely to, prevent the Change of Control Condition from being satisfied by us or any other member of the Wider Elliott Group on or prior to the Long Stop Date as soon as reasonably practicable after it comes to our or any other member of the Wider Elliott Group's attention; and
 - (C) subject always to allowing the Offeror and the Company and advisers of the Offeror and the Company a reasonable opportunity to provide comments on any correspondence or communications to the PRA and/or the FCA (including but not limited to requests for information from the PRA and/or the FCA) relating specifically to the Wider OSB Group and/or the Wider Charter Court Group or their businesses, respond promptly to the PRA and/or the FCA (and at the latest, in any event, within any time period specified by the PRA and/or the FCA),

provided that, in respect of any information the disclosure of which to the Offeror and/or the Company would adversely affect our legitimate business interests or those of any member of the Wider Elliott Group, this paragraph 4.3 shall only require the disclosing party to provide, or procure the provision of, non-confidential versions of such information to the Offeror and/or the Company (as applicable). Disclosure of any information that we (acting reasonably) consider to be commercially sensitive to us or any other member of the Wider Elliott Group and the disclosure of which we consider (acting reasonably) would prejudice our or any other member of the Wider Elliott Group's ability to meet our or its duty to act in the best interests of our or its investors or clients (as applicable) or to otherwise comply with applicable law and regulation is not required unless it can be redacted or otherwise provided on a selective basis or, if appropriate, exchanged on an outside counsel basis only or pursuant to an appropriately established clean team arrangement (and, where relevant, subject to an appropriate confidentiality agreement on terms acceptable to the relevant parties (acting reasonably)). In any event, any information concerning the structure of the Wider Elliott Group shall be limited to post-acquisition structure charts showing us and all other members of the Wider Elliott Group.

- 4.4 If the Change in Control Condition applies in relation to us, you undertake not to waive the Change in Control Condition in respect of us until it has been satisfied in respect of us. We will inform you promptly of the satisfaction of the Change in Control Condition in respect of us.

5. Publicity

We acknowledge and consent to:

- (A) the announcement of the Combination containing references to us and the registered holder(s) of any of the Shares in which we have (or will have as the case may be) a beneficial interest and to this deed substantially in the terms set out in the Offer Announcement;
- (B) the inclusion of references to us and the registered holder(s) of any of the Shares in which we have (or will have as the case may be) a beneficial interest and particulars of this deed being set out in the Scheme Document and any Offer Document (if applicable) and the OSB Circular; and
- (C) this deed being published on a website as required by Rule 26.2 of the City Code.

We further acknowledge that we are obliged to make appropriate disclosure under Rule 2.10(c) of the City Code promptly after becoming aware that we will not be able to comply with the terms of this deed or no longer intend to do so.

6. Termination

This undertaking shall not oblige the Offeror to announce or proceed with the Combination. However, without prejudice to any accrued rights or liabilities, this deed shall terminate and cease to have any effect:

- (A) if the Offeror shall not have announced a firm intention to proceed with the Combination by 14 March 2019 or such later time and/or date as the Company and the Offeror may agree on the terms and conditions set out or referred to in the Offer Announcement and/or such other terms and conditions as may be required by the City Code and/or the requirements of the UKLA and the London Stock Exchange or any other relevant exchange and/or as are customarily included in offers made under the City Code;
- (B) if the Scheme Document or Offer Document (as the case may be) has not been dispatched within 28 days of the issue of the Offer Announcement (or within such longer period as the Offeror and the Company, with the consent of the Panel, agree), provided that if the Combination was initially being implemented by way of a Scheme, and the Offeror elects to exercise its right to implement the Combination by way of an Offer or vice versa, the time period in this sub-paragraph 6(B) shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
- (C) if the Offeror announces that it does not intend to proceed with the Combination and no new, revised or replacement Scheme or Offer is announced by the Offeror in accordance with Rule 2.7 of the City Code at the same time;
- (D) on 31 August 2019;
- (E) on the date on which the Scheme (or Offer, as applicable) lapses or is withdrawn in accordance with its terms, provided that sub-paragraph 6(E) shall not apply where the Scheme (or Offer, as applicable) lapses or is withdrawn as a result of the exercise of the Offeror's right to effect a Switch in accordance with the terms of (and as defined in) the Co-operation Agreement or where the Combination is withdrawn or lapses as a result of the Offeror exercising its right to implement the Combination by way of an Offer in accordance with the City Code rather than by way of a Scheme or vice versa;
- (F) if a third party announces a firm intention to make an offer for the issued and to be issued ordinary share capital of the Company (the "**Ordinary Shares**") (whether including or excluding any Ordinary Shares held in treasury) (together, a "**Third Party Firm Intention Announcement**") which represents a premium of 5 per cent. or more to the value of the Combination based on the closing price per ordinary share in the capital of the Offeror and any third party securities exchange offeror, as applicable, at the close of business on the Business Day prior to the date of such Third Party Firm Intention Announcement¹;
- (G) if the board of directors of the Company from time to time (the "**Company Board**") withdraws, qualifies or adversely modifies its unanimous and unconditional

¹ Based on the closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange.

recommendation to the holders of Ordinary Shares from time to time to vote in favour of the Scheme at the Court Meeting and such shareholder resolutions of the Company as are necessary to approve, implement and effect the Scheme and the Combination at the General Meeting;

- (H) if any appropriate regulator refuses to approve any Change of Control Application submitted by us in connection with the Combination; or
- (I) if the Offeror announces that it is no longer intended that Andy Golding will remain as the Chief Executive Officer of the Offeror,

and, on termination of this deed, we shall have no claim against the Offeror and the Offeror shall have no claim against us, save in respect of any prior breach thereof.

7. Miscellaneous

- (A) We undertake to provide you with all such further information in relation to our interest and that of any person connected with us as you may reasonably require in order to comply with the Applicable Requirements for inclusion in the Scheme Document or the Offer Document (as the case may be) (or any other document required in connection with the Combination) or the satisfaction of any conditions to the Combination.
- (B) Without prejudice to any other rights or remedies which you may have, we acknowledge and agree that damages may not be an adequate remedy for any breach by us of any of our undertakings, agreements, warranties, appointments, consents and waivers set out in this deed (together, "**Obligations**"). You shall be entitled to seek the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of any such Obligation and no proof of special damages shall be necessary for the enforcement by you of your rights.
- (C) Except to the extent otherwise specified, the Obligations set out in this deed are unconditional and irrevocable.
- (D) Time shall be of the essence as regards the Obligations set out in this deed.
- (E) No person other than the Offeror, the Company and us is intended to have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

8. Governing law and jurisdiction

This deed 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 deed is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.

APPENDIX

Shares to which this deed relates

Number of ordinary shares	Registered holder(s)*	Beneficial owner(s)*
51,483,715	Elliott International L.P.	Elliott International L.P.
24,227,631	The Liverpool Limited Partnership	The Liverpool Limited Partnership

**Where more than one, indicate number of shares attributable to each*

IN WITNESS whereof this deed has been executed and delivered as a deed on the date above mentioned.

Executed as a deed by)
ELLIOTT INTERNATIONAL L.P.) By: Josh Nadell
By: Hambledon Inc., its General Partner) Josh Nadell, Vice President
By: Elliott Capital Advisers Inc., as attorney in fact
By: Josh Nadell, Vice President
in the presence of:)

Witness's signature: Fiona Malcolm
Name (print): Fiona Malcolm
Occupation: Accounts Payable
Address: 40 W 57th Street
New York, NY 10019

Executed as a deed by)
THE LIVERPOOL LIMITED) By: Josh Nadell
PARTNERSHIP)
By: Liverpool Associates Ltd., as General Partner) Josh Nadell, Vice President
in the presence of:)

Witness's signature: Fiona Malcolm
Name (print): Fiona Malcolm
Occupation: Accounts Payable
Address: 40 W 57th Street
New York, NY 10019

IN WITNESS whereof this deed has been entered into on the date above mentioned.

Signed by
for and on behalf of
ONESAVINGS BANK PLC

)
)
)
)

A handwritten signature in black ink, appearing to be 'J. K. Smith', written in a cursive style.

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Company Secretary