

**STRICTLY PRIVATE AND CONFIDENTIAL**

To: GXO Logistics, Inc.  
Two American Lane  
Greenwich  
CT 06831  
United States

2 February 2022

**PROJECT CATALONIA – CONFIDENTIALITY LETTER**

GXO Logistics, Inc. (the "**Offeror**") has indicated interest in a possible offer to acquire the entire issued and to be issued share capital of the Company, either by way of a takeover offer or scheme of arrangement in accordance with the Companies Act 2006 (the "**Proposed Offer**"). This letter sets out the terms on which the Company and the Offeror (each individually a "**Party**" or together the "**Parties**") have agreed to make available to each other certain confidential and proprietary information about their respective businesses for the purpose of exploring further whether there is a basis for the Proposed Offer.

In consideration of the mutual disclosure of certain confidential and proprietary information, each of the Parties agrees and undertakes to the other in relation to the other's confidential information in the terms of this letter. The undertakings in this letter are given to each of the Parties in its own favour and in favour of each of its Agents.

**1. DEFINITIONS**

1.1 In this letter (including the introductory text appearing above):

"**Agent**" means the directors, officers, employees, insurers, agents, consultants, potential sources of debt financing and professional and financial advisers (including without limitation, lawyers and accountants) of a Party or any member of such Party's Group (and any directors, officers, employees and partners of any such insurers, consultants, sources of debt financing and professional and financial advisers) from time to time and, in so far as such term:

- (a) applies to the Offeror only, it shall include (without limitation) *Rothschild & Co and Freshfields Bruckhaus Deringer LLP*; and
- (b) applies to the Offeree only, it shall include (without limitation) Numis and Hogan Lovells LLP,

and in relation to each of (a) and (b) above each member of its Group, and its and their respective directors, officers, employees, agents and professional advisers;

"**CA 2006**" means the UK Companies Act 2006;

**"Company"** means Clipper Logistics plc, a public company incorporated in England & Wales with registered number 3042024;

**"Derivative Information"** means all information created by a receiving Party, any member of such Party's Group or by a receiving Party's Agent, or on its or their behalf, including, without limitation, any accountants' or other third party reports to the extent containing or reflecting the disclosing Party's Information;

**"Group"** shall mean in relation to a Party, its parent undertakings, subsidiary undertakings and any subsidiary undertakings of its parent undertakings (and in relation to the Offeror only, includes any entity formed or owned by it for the purposes of the Proposed Offer), in each case from time to time;

**"Information"** means all information of any nature and in any form (including, without limitation, in writing or orally or in a visual or an electronic form or in a magnetic or digital form) relating directly or indirectly to:

- (a) the Proposed Offer, including this letter, the existence and content of the discussions and negotiations between the Company and the Offeror and/or any member of the Offeror's Group (and/or their respective Agents); or
- (b) a Party, any member of its Group or its Agents, disclosed in any form whether directly or indirectly by a disclosing Party, any member of its Group or its Agents to the other Party, any member of that other Party's Group or that other Party's Agents,

and includes all copies of any such information and all Derivative Information;

**"Offer"** means a general, partial, tender or other type of offer including, without limitation, an acquisition, takeover or merger transaction (however effected), reverse takeover, scheme of arrangement or other court scheme, offer by a parent company for shares in its subsidiary, share exchange or similar transaction;

**"Panel"** means the Panel on Takeovers and Mergers;

**"Protected Period"** means the period commencing on the date of this letter and ending on the earlier of: (i) the last day of the twelfth month following that date; and (ii) the date on which the Proposed Offer, if implemented by way of a takeover offer, is declared unconditional, or if implemented by way of a scheme of arrangement in accordance with the CA 2006, becomes effective;

**"Restricted Person"** means any director, officer or other senior employee (with the title of, or equivalent to, Senior Vice President or higher) of a Party or any member of such Party's Group who first became known to the other Party in connection with the Proposed Offer; and

**"Takeover Code"** means the City Code on Takeovers and Mergers.

1.2 In this letter, a reference to:

- (a) a **"subsidiary undertaking"** or **"parent undertaking"** shall have the meanings ascribed to them in section 1162 of the Companies Act 2006 or the equivalent under the jurisdiction of incorporation of the Offeror;

- (b) a **"person"** includes a reference to a body corporate, association or partnership; and
- (c) the terms **"acting in concert"**, **"voting rights"** and **"interests in securities"** shall have the meanings given to them in the Takeover Code.

## 2. **USE OF THE INFORMATION**

The Information may only be used to assist the receiving Party in deciding whether to proceed with (and then implementing) the Proposed Offer. It may not be used for any other purpose.

## 3. **DISCLOSURE OF THE INFORMATION**

- 3.1 Save as required by law, regulation, any order of a court of competent jurisdiction or the rules of any applicable governmental, judicial or regulatory authority (including, without limitation, the Panel) or the rules of any exchange for listed securities on which the receiving Party's securities or the securities of a member of its Group are listed (but subject to paragraph 4.2), the receiving Party shall hold, and procure that each member of its Group and its Agents holds, the Information in strict confidence, each of whom may only disclose Information, and procure that Information is only disclosed, by or on behalf of the receiving Party to its Group members and Agents who are directly concerned with the assessment (and/or implementation) by the receiving Party of the Proposed Offer and whose knowledge of the Information is necessary for these purposes.
- 3.2 The receiving Party shall ensure that, prior to any disclosure of Information to Agents in accordance with paragraph 3.1 above, each such Agent to whom any Information is to be disclosed, has been provided with a copy of this letter and has been directed to comply with the provisions of this letter which are applicable to Agents as if it had undertaken the same obligations as a receiving Party under this letter and the receiving Party shall be responsible for any breach by any such person of the provisions of this letter.
- 3.3 The receiving Party shall notify the disclosing Party promptly upon becoming aware that any Information has been disclosed to or obtained by a third party (otherwise than as permitted by this letter).

## 4. **DISCLOSURE AND ANNOUNCEMENTS**

- 4.1 Unless paragraphs 4.2 or 4.3 apply, each Party shall not, and shall procure that no member of its Group or its Agents shall, without the prior written consent of the other Party, disclose to any person (except to its Agents as permitted under and in accordance with paragraph 3.1), or make a public announcement of, the status of, the terms of, the existence of discussions relating to, or the process relating to, the Proposed Offer including, without limitation, their termination or any of the terms or other facts relating to the Proposed Offer. For the avoidance of doubt, the information described in this paragraph 4.1 shall also constitute Information.
- 4.2 Where a disclosure or announcement of the type mentioned in paragraphs 3.1 (by a Party or any member of the Party's Group) or 4.1 is required by law, regulation, any order of a court of competent jurisdiction or the rules of any applicable governmental, judicial or regulatory authority (including, without limitation, the Panel) or the rules of any exchange for listed securities on which a Party's securities or the securities of a member of its Group are listed, the disclosure or announcement shall, where reasonably practicable and subject to applicable law or regulation, be made by that Party or any member of its Group after consultation with the other Party, after taking into account the other Party's reasonable requirements as to its timing, content and manner

of making or despatch. If a Party is unable to consult with the other Party before the announcement or disclosure is made due to the time in which the disclosure or announcement is required to be made, that Party shall, to the extent not prohibited by applicable law or regulation, inform the other Party of the circumstances, timing, content and manner of making of the announcement or disclosure as soon as reasonably practicable after such announcement or disclosure is made.

4.3 For the avoidance of doubt, nothing in this letter shall prevent, or shall be construed as preventing:

- (a) the board of the Company from making an announcement relating to a possible offer or publicly identifying the Offeror and any member of the Offeror's Group as a potential offeror, at any time the board of the Company considers appropriate;
- (b) the Offeror from engaging with or having any contact of any kind whatsoever with any of its own shareholders in connection with the Proposed Offer or otherwise, including, for the avoidance of doubt, disclosing Information to its own shareholders, in their capacity as its shareholders, even if such shareholders are also shareholders of the Company (for this purpose, Information having only the meaning in paragraph (a) of the definition of "Information"); nor
- (c) at any time when the restrictions in paragraph 7.2 do not apply, the Offeror from making any announcement or disclosure containing Information (for this purpose, Information having only the meaning in paragraph (a) of the definition of "Information").

## 5. ACTION UPON TERMINATION OF NEGOTIATIONS

5.1 Subject to paragraph 5.2, if negotiations in respect of the Proposed Offer are terminated, or upon receipt of a written request by the disclosing Party, the receiving Party shall, and shall use its reasonable endeavours to procure that any member of its Group and its Agents shall:

- (a) as soon as reasonably practicable destroy or deliver to the disclosing Party all Information in the form in which it was obtained by the receiving Party or any member of its Group or by any receiving Party's Agent;
- (b) as soon as reasonably practicable destroy all Derivative Information and confirm to the disclosing Party that such destruction has taken place;
- (c) use all reasonable efforts to erase from any computer under its control any document, disk or file containing, reflecting or generated from any Information; and
- (d) subject to the provisions of paragraph 3.1, not use or disclose to any person any such Information to the extent not so erased.

5.2 The provisions of paragraphs 5.1(a) to (c) shall not apply:

- (a) to the minutes of any meeting of the board of directors (or equivalent) of the receiving Party or any member of its Group, or to those of a duly appointed committee of such a board to the extent that such minutes contain or reflect any Information; or
- (b) to the extent that the receiving Party, any member of its Group, its Agents or anyone to whom the Information has been passed in accordance with the terms of this letter is required to retain any such Information by any applicable law, rule or regulation or by any

competent judicial, governmental, supervisory or regulatory body or stock exchange or by the rules or recommendations of any relevant professional body,

all of which the receiving Party shall continue to hold, or procure to be held, subject to the terms of this letter for a period of three years from the date of this letter.

## 6. COMMUNICATIONS, CONSENTS AND ACTIONS

6.1 Any consent or authorisation required under this letter from the Company may be given only by a director or company secretary of the Company.

6.2 Any consent or authorisation required under this letter from the Offeror may only be given by a director or company secretary, or such other duly authorised officer or employee of the Offeror or any member of its Group.

6.3 Each of the Parties shall not, and shall procure that no member of its Group shall, without the prior written consent of the other Party, at any time during the Protected Period:

(a) directly or indirectly solicit, engage or employ (whether paid or unpaid) any Restricted Person of the other Party in relation to any business; or

(b) use any Information to encourage, procure or assist any person who is during the Protected Period a customer of, or who has any business relationship with, the other Party or any member of the other Party's Group, to restrict, vary or cease their relationship with the other Party or any member of the other Party's Group.

6.4 The restrictions in paragraph 6.3(a) do not prohibit a Party or any member of its Group from soliciting, engaging or employing any Restricted Person: (i) when such person responds to a bona fide recruitment campaign that was not targeted at Restricted Persons; (ii) who has not been employed by the relevant Party for a six-month period prior to commencement of employment discussions with such person; (iii) who has been terminated by the relevant Party prior to the commencement of employment discussions; and (iv) who contacts that Party at his or her own initiative without any prior direct solicitation.

6.5 The restrictions in paragraph 6.3(b) do not prohibit a Party or any member of its Group from dealing with the other Party's customers in the ordinary course of business, as long as the Party and any member of its Group does not refer in any way to the Information.

6.6 The Offeror and the Company consider that the restrictions contained in paragraph 6.3 are no greater than is reasonable and necessary for the protection of their respective legitimate interests.

6.7 If any part of the restriction contained in paragraph 6.3 is held to be invalid or unenforceable but would be valid and enforceable if part of the wording of the restriction is deleted or the Protected Period is shortened, the restriction applies with such modification as is necessary to make it valid and enforceable.

## 7. STANDSTILL AGREEMENT

7.1 The Offeror warrants that neither it, nor any member of its Group is interested in any shares in the share capital of the Company.

7.2 For a period of 12 months starting on the date of this letter the Offeror shall not, and shall procure that any member of its Group shall not, directly or indirectly, either alone or together with another person, without the prior written consent of the Company:

- (a) acquire, or cause another person to acquire, any interest(s) in securities of the Company;
- (b) enter into an agreement or arrangement (legally binding or not) or do or omit to do any act as a result of which the Offeror, any member of its Group or another person may acquire any interest(s) in securities of the Company;
- (c) make, or cause another person to make, an Offer for any shares of the Company or enter into an agreement or arrangement (legally binding or not) or do or omit to do any act as a result of which the Offeror, any member of its Group or another person may become obliged (under the Takeover Code or otherwise) to make an Offer for any securities of the Company;
- (d) announce, or cause another person to announce, an Offer for any shares of the Company or enter into an agreement or arrangement (legally binding or not) or do or omit to do any act as a result of which the Offeror, any member of its Group or another person may become obliged (under the Takeover Code or otherwise) to announce an Offer for any securities of the Company; or
- (e) initiate or maintain contact or approach or hold discussions with any of the Company's shareholders in connection with the Proposed Offer, including soliciting any of the Company's shareholder's support for the Proposed Offer.

7.3 Paragraph 7.2 shall not apply:

- (a) following the announcement by the Offeror, or any person acting in concert with the Offeror, under Rule 2.7 of the Takeover Code, of a firm intention to make an offer for the Company (provided such offer is, and continues to be, recommended by the board of directors of the Company);
- (b) if any person (other than the Offeror, or any person acting in concert with the Offeror) makes, or announces under Rule 2.7 of the Takeover Code a firm intention to make, an Offer to acquire shares carrying over 50% of the voting rights for the Company (including by way of scheme of arrangement and whether such offer is recommended or not);
- (c) if the Company or any of the members of its Group enters into, or announced that it is proposing to enter into, a reverse takeover or "whitewash" proposal (each as referred to in the Takeover Code);
- (d) if any person not acting in concert with the Offeror acquires interests in shares of the Company which (excluding any shares already held by such person at the date of this letter) carry 5 per cent. or more of the voting rights of the Company;
- (e) to any person who acquires or disposes of any interest in securities of the Company in any ordinary course fund management, investment or advisory activities of that person as a fund manager, market-maker, broker, or provider of trustee or nominee services to the extent that any such person is not in receipt of any Information and provided that such action is not taken, directly or indirectly, on the instructions of, or at the instigation of, or



on behalf of the Offeror or a member of the Offeror's Group or any person acting in concert with the Offeror or a member of the Offeror's Group and provided that any such person has had no involvement in the Proposed Offer.

## 8. **INSIDE INFORMATION AND MARKET ABUSE**

The Offeror acknowledges that some or all of the Information provided by or on behalf of the Company may be information which is not public or otherwise generally available and is of a kind such that a person who has that information would be prohibited or restricted from using it to deal in the securities of the Company under the UK Market Abuse Regulation ("**MAR**"), Criminal Justice Act 1993 or other applicable insider dealing, market abuse or similar law.

Each party acknowledges that it is aware that the United States securities laws may prohibit persons in possession of material, non-public information regarding an issuer from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

## 9. **GENERAL AGREEMENTS**

9.1 The obligations of a receiving Party are given to the disclosing Party on behalf of itself and each member of its Group and its Agents.

9.2 No right or licence is granted to the receiving Party, its Group or to any receiving Party's Agent in relation to any Information except as expressly set out in this letter. Subject to the terms of this paragraph 9.2, members of each Party's Group and their respective Agents will have the right under the Contracts (Rights of Third Parties) Act 1999 (the "**1999 Act**") to enforce their respective rights under this letter. However, no such person may enforce, or take any step to enforce, any of the provisions of this letter without the prior written consent of the Party with whom they are affiliated which may, if given, be given on and subject to such terms and conditions as that Party may determine. The Parties do not require the consent of any person having such a right under the 1999 Act to rescind or vary this letter at any time. Save as set out in this paragraph 9.2, no other person who is not a party to this letter has any right under the 1999 Act to enforce any term of this letter but this does not affect any right or remedy of a third party which exists or is available apart from the 1999 Act.

9.3 Each Party shall (and each member of their respective Groups and their respective Agents shall) treat the Information at all times in accordance with relevant data protection legislation (including all applicable requirements of the Data Protection Act 2018, the General Data Protection Regulation (EU) (2016/679) (as amended from time to time) and any laws or regulations of the United Kingdom that implement or exercise derogations under it, or replace or supersede it, and all similar legislation and regulations relating to data protection in any relevant jurisdiction).

9.4 No Party or any member of its Group or any of its or their respective Agents:

- (a) accepts any liability for or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or reasonableness of any Information;
- (b) will be liable to another Party or to any other person in respect of any Information or its use;

- (c) is obliged to update any Information or to notify another Party of or to correct any inaccuracies in any Information (even if such inaccuracies are discovered subsequent to the provision of the Information).
- 9.5 Each Party acknowledges and agrees that neither Party nor any of its Agents owes any duty of care to the other Party, the other Party's Agents or any other person, and that no person other than the Parties has any authority to make or give any statement, warranty, representation or undertaking on behalf of the other Party or any of their respective Agents (as the case may be) in connection with the Proposed Offer.
- 9.6 The Company may conduct negotiations for the possible sale of shares in the Company at the same time with persons other than the Offeror (and any member of the Offeror's Group). The Company may at any time and without notice:
- (a) negotiate with the Offeror, any member of the Offeror's Group or another person to any timetable and on any terms the Company may decide;
  - (b) terminate negotiations with the Offeror or any member of the Offeror's Group; and
  - (c) accept, recommend or reject any offer made, irrespective of whether it is the only or the highest offer.
- 9.7 Damages may not be an adequate remedy for a breach of this letter and/or breach of confidence and any Party may be entitled to seek remedies of injunction, specific performance and other equitable relief for a threatened or actual breach of this letter and/or breach of confidence without proof of special damages.
- 9.8 The failure to exercise or delay in exercising a right or remedy provided by this letter, by law or in equity does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this letter, by law or in equity prevents further exercise of the right or remedy or the exercise of another right or remedy available to a Party, whether contractual, equitable, proprietary or otherwise.
- 9.9 Each disclosing Party acknowledges and agrees that to the extent that any Information is covered or protected by privilege, then disclosing such Information to a receiving Party, any member of its Group or to its Agents or otherwise permitting disclosure of it in accordance with this letter does not constitute a waiver of privilege or any other rights which the disclosing Party or any member of its Group or any of their respective Agents may have in respect of such Information.
- 9.10 The Parties agree that, if the Panel determines that any provision of this letter that requires the 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.
- 9.11 If any provision of this letter is held to be unenforceable or invalid, that provision shall (so far as it is unenforceable or invalid) be given no effect and shall be deemed not to be included in this letter, but without invalidating any of the remaining provisions.
- 9.12 Nothing in this paragraph 9 shall have the effect of limiting or restricting any liability arising as a result of fraud.



9.13 Each Party shall pay its own costs and expenses incurred in connection with the Proposed Offer and its evaluation and review of the Information.

**10. EXCEPTIONS**

This letter does not apply to any Information or any other confidential information relating to the Proposed Offer which:

- (a) at the date of disclosure of the Information is publicly known or at any time after that date becomes publicly known (other than by breach of this letter);
- (b) was not obtained from a disclosing Party or any of its Agents and was obtained from a source which, so far as the receiving Party is aware, does not owe the disclosing Party or any of its Agents any obligation of confidentiality in relation to it; or
- (c) was already lawfully in the possession of the receiving Party or any of its Agents before the date of disclosure pursuant to this letter.

**11. TERM**

11.1 Subject to paragraph 11.2 below, this letter will survive the termination of any discussions between the Parties and is to continue for a period of two years from the date of this letter following which this letter will lapse (without prejudice to any accrued liabilities).

11.2 Any obligations a Party has under this letter shall survive indefinitely where they relate to any Information which, in accordance with paragraph 5 of this letter, is not returned or destroyed.

**12. GOVERNING LAW**

This letter, the jurisdiction paragraph contained in it and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter, the relationship between the parties and the conduct of any negotiations for the acquisition of the Company are governed by, and are to be construed and to take effect in accordance with English law.

**13. JURISDICTION**

The courts of England have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this letter (including without limitation claims for set-off or counterclaim) or the legal relationships established by this letter and any non-contractual obligations arising out of or in connection with this letter. For such purposes each Party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each Party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this paragraph

**14. COUNTERPARTS**

This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this letter and of signature pages by facsimile transmission or by electronic mail in PDF format shall constitute effective execution and delivery of this letter as to the parties and may be used in lieu of the original agreement for all

purposes. Signatures of the parties transmitted by facsimile and by electronic mail in PDF format shall be deemed to be their original signatures for all purposes.

15. **APPOINTMENT OF AGENT FOR SERVICE**

- 15.1 The Offeror shall at all times maintain an agent for service of process in England and Wales ("**Process Agent**") and hereby irrevocably appoints GXO Logistics Holdings UK Unlimited (company number 11747954) of GXO House, Lodge Way, New Duston, Northampton, England, NN5 7SL as its Process Agent.
- 15.2 Any process document will be sufficiently served on the Offeror if delivered to the Process Agent at its address for the time being.
- 15.3 The Offeror may not revoke the authority of the Process Agent. If the Process Agent ceases to be able to act as such or ceases to have an address within the jurisdiction of the English courts, the Offeror must promptly appoint another Process Agent (with an address for service within the jurisdiction of the English courts).
- 15.4 The provisions of this paragraph 15 do not prevent a process document being served in any other manner permitted by law.

16. **DATA ROOM**

This letter also applies to Information accessed through the Company's or its Agent's electronic data room and supersedes any "click through" acknowledgement or agreement associated with any such electronic data room.

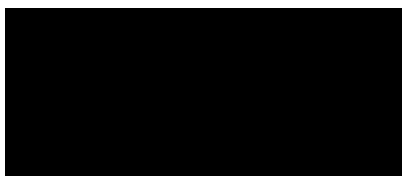
17. **GENERAL**

- 17.1 If any provision of this letter is held to be invalid or unenforceable, that provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this letter, but without invalidating any of the remaining provisions.

This letter, when signed by you, constitutes a legally binding agreement.

Please acknowledge the entry of into this letter by signing and returning the enclosed copy of this letter to the Company.

Yours faithfully,



**Julia Dettmar**

for and on behalf of

**Clipper Logistics plc**

Agreed and accepted by:



for and on behalf of

**GXO Logistics, Inc.**