

SHAREHOLDER IRREVOCABLE UNDERTAKING

To: Venus Grafton S.à r.l ("VG")
3rd Floor
22 Grand Rue
L-1660
Luxembourg

9 August 2016

Proposed acquisition of Pinewood Group plc (the "Company")

We understand that VG, which, where the context permits, includes references to a VG Subsidiary, as defined below) or one of its direct or indirect wholly-owned subsidiaries (whether existing or newly incorporated) (a "**VG Subsidiary**") is considering the Acquisition (as defined below). The Acquisition, if announced under Rule 2.7 of the City Code on Takeovers and Mergers (the "**Code**"), will be on the terms and subject to the conditions to be set out in a Rule 2.7 announcement (the "**Rule 2.7 Announcement**"), such terms and conditions being as may be required by the Code, applicable law and regulation or the London Stock Exchange and/or as are customarily included in offers made under the Code (including a condition on receiving FCA consent to the change of control of Picture Film Advisors Limited for the purposes of the controllers regime under Part XII of the Financial Services and Markets Act 2000 (as amended)) and which in any such case do not result in a diminution of the consideration per Ordinary Share (as defined below) payable under the Acquisition.

All references in this undertaking to the "**Acquisition**" shall mean the proposed acquisition by or on behalf of VG of the issued and, if any, to be issued, ordinary shares of 10 pence each in the Company ("**Ordinary Shares**") on terms that (i) the price payable, in cash, for each Ordinary Share shall be not less than 560 pence and (ii) the existing shareholders of the Company will be entitled to receive and retain the recommended final dividend of 3.2 pence per Ordinary Share in respect of the year ended 31 March 2016, which acquisition may be by way of a scheme of arrangement (under Part 26 of the Companies Act 2006) (referred to in this undertaking as the "**Scheme**") or a takeover offer (within the meaning of section 974 of the Companies Act 2006) (referred to in this undertaking as the "**Offer**").

1. Warranties and undertakings

Subject to paragraph 6(E), we irrevocably and unconditionally undertake and warrant that:

- (A) we are the registered legal and beneficial owner of and are otherwise able to control the exercise of all rights attaching to and the ability to procure the transfer of, the number of Ordinary Shares set out below in Schedule 1 (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 to the extent that such inclusion does not result in us acting in concert with you for the purposes of the Code);
- (B) we are not interested in, nor entitled (other than in circumstances where any such entitlement arises on a pro rata basis for all the Company's shareholders) on the occurrence of any event to, any other shares or securities of the Company;
- (C) we will be able to transfer or we will be able to procure the transfer of the Shares when required in accordance with the terms of this undertaking free from all

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encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature;

(D) save as may be otherwise expressly provided herein, we shall not prior to the earlier of the Acquisition becoming effective (or, if applicable, closing) or lapsing:

- (1) sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of such Shares or interest in such Shares except under the Acquisition, or accept any other offer in respect of all or any of such Shares or any interest therein;
- (2) without the consent of VG, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company which might reasonably be expected to frustrate the Acquisition or prevent the Acquisition from becoming wholly unconditional;
- (3) directly or indirectly solicit or encourage any person other than VG to make any offer for the Ordinary Shares or take any action which might reasonably be expected to be prejudicial to the successful outcome of the Acquisition or which might reasonably be expected to have the effect of preventing any of the conditions of the Acquisition from being fulfilled;
- (4) accept or give any undertaking (whether conditional or unconditional) to accept or vote in favour of, or otherwise agree to, any offer, scheme of arrangement, merger or other business combination made or proposed to be made in relation to the Company by any person other than VG;
- (5) acquire any interests (as defined in the Code) or otherwise deal or undertake any dealing (as defined in the Code) in any relevant securities or any interest therein (both as defined in the Code) of the Company;
- (6) (other than pursuant to the Acquisition) enter into any agreement or arrangement, or permit (in circumstances where it is within our power to prevent) any agreement or arrangement to be entered into by the registered holder of the Shares or incur any obligation or permit (in circumstances where it is within our power to prevent) any obligation to arise:
 - (a) to do all or any of the acts referred to in this paragraph 1(D); or
 - (b) which would or might reasonably be expected to preclude us from complying with our obligations under paragraphs 2, 3 and 4,

and references in this paragraph (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 Acquisition becoming effective (or, if applicable, closing) or lapsing or upon or following this undertaking ceasing to be binding or upon or following any other event;

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



2. **Scheme**

Subject to paragraph 6(E), we irrevocably and unconditionally undertake, if the Acquisition is implemented by way of the Scheme, that, without prejudice to paragraph 3 below, we shall after the posting 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 (each as defined below) to implement the Acquisition), return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed and signed and voting in favour of the resolutions to implement the Acquisition in respect of all the Shares) 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 VG or 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 resolutions to implement the Acquisition) (and we shall not revoke such proxy or instructions), within fourteen days after the posting of the Scheme Document.

3. **Voting rights and prejudicial action**

Subject to paragraph 6(E), we irrevocably and unconditionally undertake that:

- (A) we shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any general meeting of the Company (including any adjournment thereof) ("**General Meeting**") or at any meeting of holders of Ordinary Shares convened by a Court (including any adjournment thereof) ("**Court Meeting**") which:
- (1) is necessary to implement the Acquisition;
 - (2) might reasonably be expected to have any impact on the fulfilment of any condition to the Acquisition; or
 - (3) might reasonably be expected to impede or frustrate the Acquisition in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any Ordinary Shares by a third party),
- only in accordance with VG's instructions;
- (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 paragraph (A) above, or to require the Company to give notice of any such meeting, only in accordance with VG's instructions;
- (C) for the purpose of voting on any resolution referred to under paragraph (A) or (B) above, we shall, if and when required by VG, execute any form of proxy required by VG appointing any person nominated by VG to attend and vote at the relevant meetings (and we shall not revoke such proxy); and
- (D) except to the extent required under the Code, we shall not take any action or make any statement which is calculated to or is reasonably likely to have the effect of delaying or disrupting the Scheme or otherwise causing the Scheme not to become effective at the earliest practicable time or at all, or which is calculated to be or is reasonably likely to be prejudicial to the success of the Acquisition.



4. **Offer**

It is acknowledged that VG reserves the right to implement the Acquisition by way of a Scheme or an Offer. If the Scheme lapses or is withdrawn in accordance with its terms and at or before or within 1 Business Day after the time of such lapse or withdrawal VG has publicly confirmed that it intends to implement the Acquisition by way of the Offer (and subject, if required, to the consent of the Panel on Takeovers and Mergers (the "**Panel**"), subject to paragraph 6(E), we irrevocably and unconditionally undertake that this undertaking shall continue to be binding *mutatis mutandis* in respect of the Acquisition and the Shares and all references to the Scheme shall, where the context permits, be read as references to the Offer (or to both the Scheme and the Offer, as appropriate) and notwithstanding the generality of the foregoing, references in this undertaking to:

- (A) voting (including procuring the voting) in favour of the resolutions to be proposed at the General Meeting and the Court Meeting referred to in paragraph 2 shall be read and construed as references to accepting (or procuring the acceptance of) the Offer, which acceptances in such circumstances shall be tendered within ten days of posting of the formal document containing the Offer (the "**Offer Document**") to the Company's shareholders and, even if the terms of the Offer give accepting shareholders the right to withdraw acceptances, we shall not withdraw (and, if applicable, shall procure that the registered holder does not withdraw) acceptances in respect of the Shares;
- (B) voting (including procuring the voting) in favour of the resolutions to be proposed at the General Meeting will continue to apply, notwithstanding that the resolutions to be proposed at such meeting may be modified to reflect the fact that the Acquisition is to be implemented by way of the Offer;
- (C) the Scheme or Acquisition becoming effective shall be read as references to the Offer or Acquisition becoming unconditional in all respects and references to the Scheme lapsing or being withdrawn shall be read as references to the lapsing or withdrawal of the Offer; and
- (D) the Scheme Document shall be read as references to the Offer Document.

5. **Secrecy**

We shall, save as required by applicable law or regulation, keep secret the existence and terms of this undertaking until an announcement of the terms of this undertaking in the form annexed to this undertaking has been made as required under Rule 2.11 of the Code (the "**Rule 2.11 Announcement**"), provided that we may disclose the same to our advisers and to the Company and its advisers.

6. **Miscellaneous**

- (A) Where, in order to fulfil our obligations under this undertaking we require action by the registered holder of the Shares, we shall procure that such action is taken.
- (B) We consent to:
 - (1) the issue (incorporating references to us and to this undertaking in the form, or substantially in the form, set out in the Rule 2.11 Announcement (or otherwise as required by the Code)), of the Rule 2.11 Announcement and of any other announcement VG is required by the Code to make, and of, subsequently, the Rule 2.7 Announcement, if made;

- (2) this undertaking being made available for inspection during the offer period (as defined in the Code);
 - (3) particulars of this undertaking being contained in the Scheme Document or the Offer Document (as the case may be) and any other document which is required to be prepared under applicable law or regulation (a "**Required Document**").
- (C) We undertake to provide you promptly with all such further information at our disposal in relation to our interest in the Shares as you may require (in order to comply with the Code and any other legal or regulatory requirements) for inclusion in the Scheme Document or the Offer Document (as the case may be) (or any other Required Document) and to notify you in writing as soon as reasonably practicable of any material change in the accuracy or import of any such information previously supplied to you by us.
- (D) This undertaking shall not oblige VG to announce or proceed with the Acquisition, but shall cease to have any effect if VG has not released the Rule 2.7 Announcement by 5.00pm London time on 25 August 2016. This undertaking shall also cease to have any effect if any of the following shall occur:
- (1) the Rule 2.11 Announcement is not released by 12.00 noon London time on the business day next following the date of this undertaking;
 - (2) the Panel, subsequent to the making of the Rule 2.7 Announcement, consents to VG not proceeding with the Acquisition and VG subsequently withdraws the Acquisition;
 - (3) the Scheme Document (or, as the case may be, Offer Document) has not been posted to the Company's shareholders within the period prescribed by the Code or by such other date as the Takeover Panel may permit;
 - (4) where the Rule 2.7 Announcement indicates that the Acquisition is to be implemented by way of the Scheme, the Scheme lapses or is withdrawn (or has not become effective by 5.00pm London time on the long stop date which is agreed between VG and the Company as referred to in the Rule 2.7 Announcement (the "**Long Stop Date**")) and in any such case no public announcement has been made by VG at or before the time of or within 1 Business Day after such lapse or withdrawal (or, as the case may be, at or before 5.00pm London time on the Long Stop Date) in relation to VG having elected (subject to receiving the Panel's consent, if required) to implement the Acquisition by way of the Offer;
 - (5) where the Rule 2.7 Announcement indicates that the Acquisition is to be implemented by way of the Offer, the Offer lapses or is withdrawn without having become or been declared unconditional in all respects and no public announcement has been made by VG at or before the time of or within 1 Business Day after such lapse or withdrawal in relation to VG having elected (subject to receiving the Panel's consent, if required) to implement the Acquisition by way of the Scheme;
 - (6) the Acquisition has not been completed, either by the Scheme becoming effective or by the Offer having become or been declared unconditional in all respects, by 5.00pm London time on the date which is 180 days from the date of the Rule 2.7 Announcement.



- (E) All of our obligations under this letter shall lapse and shall cease to be enforceable if an announcement is made in accordance with Rule 2.7 of the Code of a competing offer in cash or with a full cash alternative in respect of the Shares of the Company and the cash element of such competing offer represents a value per Ordinary Share at the date and time in London of such announcement of not less than 619.5 pence per Ordinary Share.
- (F) This undertaking will extend to any increased, revised (including, for the avoidance of doubt, any offer made following an election under paragraphs 6(D)(4) and (5) hereof to change the implementation of the Acquisition from the Scheme to the Offer or vice-versa), amended or improved offer made by or on behalf of VG, provided that under such increased, revised, amended or improved offer the amount payable in cash for each Ordinary Share is not less than 560 pence and the Company's shareholders, who are on the register at close of business on 2 September 2016, are entitled to receive and retain the recommended final dividend of 3.2 pence per Ordinary Share in respect of the year ended 31 March 2016, and all references to "Acquisition", "Scheme" and "Offer" in this undertaking shall be construed accordingly. For the avoidance of doubt, nothing in this undertaking shall oblige VG to make any increased, revised, amended or improved offer.
- (G) Any VG Subsidiary which, under the Code, is the offeror for the purposes of the Acquisition will be entitled to rely on and enforce the terms of this undertaking as if this undertaking were addressed to it.
- (H) We agree that, if we should fail to act in accordance with our obligations under this undertaking or should otherwise be in breach of any of our obligations, damages would not be an adequate remedy and accordingly the offeror shall be entitled to seek the remedy of specific performance.
- (I) Any time, date or period mentioned in this undertaking may be extended by mutual agreement between the parties but as regards any time, date or period originally fixed or so extended as aforesaid, time shall be of the essence.
- (J) This undertaking 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 undertaking is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.

7. Undertakings/Warranties of VG

By executing a counterpart of this Deed, VG:

- (A) undertakes to us that VG will use all reasonable endeavours acting in good faith and in compliance with the Code to progress the Acquisition as expeditiously as reasonably possible with a view to releasing the Rule 2.7 Announcement as soon as it is reasonably practicable for it to do so in compliance with the requirements of the Code;
- (B) warrants to us that in relation to the Acquisition it is acting as principal and not as agent for any other party and that there is no arrangement in place, and it has had no discussions with any party in relation to any possible arrangement, whereby any of the Shares acquired pursuant to the Acquisition will or may be transferred to any other person or whereby any part of the business or assets of the Company or of any of its subsidiaries will or may be transferred to any other person; and



(C) undertakes to us that no such arrangement as is referred to in (B) above will be entered into, and no such discussions as are referred to in (B) above will be held, at any time prior to the release of the Rule 2.7 Announcement.

We each intend this document to be a deed and execute and deliver it as a deed.

SIGNED and DELIVERED as a **DEED** by a director of []

AVIVA INVESTORS



TREVOR GREEN
MANAGING
DIRECTOR

Director



Witness

Simon Clark

Witness Name

Aviva Investors, 1 Poultry, LONDON, EC2A 8EJ

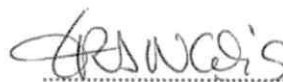
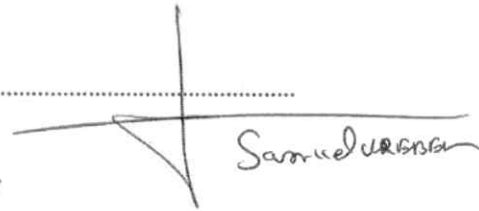
Witness Address

SIGNED and DELIVERED as a **DEED** by Venus Grafton S.à r.l acting by

in the presence of



Director



Witness

Véronique FRANCIS

Witness Name

22 Grand Rue - 3rd floor - L-1660

Witness Address

Luxembourg

SCHEDULE 1

The Shares

1. Number of Ordinary Shares	2. Registered holder*
8,117,008 Total	

7,116,788 - Aviva Life + Pensions UK Limited
752,447 - Aviva Investors UK Fund Services Limited
247,773 - RBS Collective Investment Funds Limited

~~* Shareholder to confirm it is the legal and beneficial owner of the shares and the registered holder thereof.~~

