

To: Mr Ron Nersesian  
President and CEO  
Knight Technologies, Inc.  
1400 Fountaingrove Parkway  
Santa Rosa  
CA 95403  
USA

**Strictly Private and Confidential**

22 May 2015

Dear Sirs

Project Taurus

This letter sets out the basis upon which we have agreed to disclose to each other certain confidential information in relation to the possibility of an acquisition, on terms to be agreed between the Company and yourselves, by yourselves for the Company (the "Proposed Transaction").

In this letter references to:

- "Anite" means Anite plc, a company incorporated in England with registered number 01798114 whose registered office is at Ancells Business Park, Harvest Crescent, Fleet, Hampshire, GU51 2UZ;
- "Affiliate" of, or "Affiliated" with, a specific person means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under the common control of, the person specified. For these purposes "control" means the beneficial ownership of or interest in more than 50 per cent. of the issued voting share capital of an entity, or the power to direct or cause the direction of the general management of an entity, as the case may be, and "controls" and "controlled" shall be construed accordingly;
- "Authorised Representatives" means, in relation to the Recipient Party, such of its officers, employees, agents, lenders or professional advisers who are directly concerned with the evaluation and negotiation of the Proposed Transaction and whose knowledge of the Confidential Information is necessary for those purposes ;
- "business day" means a day other than a Saturday or Sunday on which banks are open for business in the City of London;
- "Code" the City Code on Takeovers and Mergers, as applied by the Panel from time to time;
- "Company" and "us" means Anite and/or any of our Affiliates;
- "Confidential Information" has the meaning given in paragraph 1.1 below;
- "Disclosing Party" refers to either you or us and means the party which discloses the relevant Confidential Information or to which the relevant Confidential Information relates;
- "each party" means you and us;
- "Group" means the Disclosing Party and its Affiliates;

- **"Recipient Party"** refers to either you or us and means the party which receives the relevant Confidential Information, or has the Confidential Information in its possession or under its control;
- **"Panel"** means the UK Panel on Takeovers and Mergers; and
- **"you"** or **"Knight"** (or related expressions) means Knight Technologies, Inc. and/or any of its Affiliates.

In consideration for us making certain information available to you, and you making certain information available to us, on the terms of this letter, each party agrees as follows.

## 1. **Provision of Confidential Information**

- 1.1 Each party acknowledges and agrees that it and/or its Authorised Representatives will acquire from the other party information about the Proposed Transaction and/or the other party and/or its Affiliates which is confidential and that the unauthorised disclosure or use of such information by the Recipient Party and/or its Authorised Representatives would damage the interests of the Disclosing Party and/or its Affiliates. Subject to paragraph 1.2 below, this information and:

- (A) the existence and nature of the negotiations in relation to the Proposed Transaction;
- (B) the contents of this letter;
- (C) all information in any form relating to the Proposed Transaction and/or to any Disclosing Party and/or its Affiliates which is provided to the Recipient Party or any of its Authorised Representatives or independently acquired by any of them or any of their respective employees, agents or professional advisers in the course of the Proposed Transaction, whether before or after the date of this letter, and all copies of all such information in whatever form; and
- (D) all reports, analyses, memoranda or other documents prepared by the Recipient Party or any of its Authorised Representatives which contain, reflect or utilise any of the information described above,

is collectively referred to in this letter as **"Confidential Information"**.

- 1.2 Confidential Information does not include any information which:

- (A) at the time of disclosure to the Recipient Party or its Authorised Representatives is in the public domain or subsequently becomes part of the public domain other than by reason of any breach of the terms of this letter;
- (B) was lawfully in the Recipient Party's or its Authorised Representatives' possession prior to disclosure as information which is not subject to any confidentiality obligation, as evidenced by the Recipient Party's written records or those of its Authorised Representatives;
- (C) after the time of disclosure is lawfully obtained by the Recipient Party or its Authorised Representatives through any other source provided that the source of the information was not subject to any agreement or other duties relating to confidentiality; or
- (D) the Disclosing Party has agreed in writing should not be treated as Confidential Information.

## 2. **Confidentiality**

- 2.1 The Recipient Party agrees that the Confidential Information will be kept strictly confidential by it and its Authorised Representatives and will not be disclosed (whether in writing, orally or otherwise), in whole or in part, save in accordance with paragraphs 2.2 and 2.3, to anyone other than its Authorised Representatives.
- 2.2 The Recipient Party shall be entitled to disclose Confidential Information to a third party to the extent that such disclosure is:



- (A) requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body (including the Panel);
  - (B) required under the rules of or applicable to any stock exchange on which its shares or other securities are listed or admitted to trading;
  - (C) required by any law or regulation of any country with jurisdiction over its affairs (including the Code); or
  - (D) approved in writing by the Disclosing Party prior to such information being disclosed.
- 2.3 If, however, the Recipient Party proposes to make any disclosure in the circumstances contemplated by paragraph 2.2, it will:
- (A) give the Disclosing Party prompt written notice of any such requirement, request, court order, summons or notice of governmental action, as the case may be, seeking the disclosure of any of the Confidential Information, so as to permit the Disclosing Party to consider whether there are appropriate grounds on which to object to such disclosure, and (unless it is unreasonable for the Recipient Party to do so) the Recipient Party will assist the Disclosing Party in making any such objection;
  - (B) subject always to any time or other restrictions imposed on the Recipient Party by any court, stock exchange, law or regulation, consult with the Disclosing Party as to the proposed form, timing and terms of such disclosure (which in any event shall only include such Confidential Information as is required by the relevant court, body, regulation, law or rule to be disclosed); and
  - (C) use all reasonable endeavours to maintain, so far as practicable, the confidentiality of the information disclosed and, in particular, to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the disclosed information as the other party may reasonably designate.
- 2.4 The Recipient Party agrees to ensure that its Authorised Representatives are aware of and comply with its obligations under this letter as if he/she had given a direct undertaking in the same terms as the Recipient Party has and any action by them will be treated as the Recipient Party's action for the purposes of this letter.
- 2.5 Any person or persons (excluding the Authorised Representatives) with whom either party proposes to collaborate in relation to the Proposed Transaction will be required to sign a confidentiality undertaking substantially in the form set out in this letter.
- 2.6 The Confidential Information may only be used in connection with each party's evaluation and negotiation of the Proposed Transaction. The Confidential Information must not be used for any other purpose, including (without limitation) any competitive or commercial purpose or in relation to any other transaction.
- 2.7 Where the Confidential Information is also privileged, the waiver of such privilege is limited to the purposes of this letter, and does not and is not intended to result in any wider waiver of the privilege. Accordingly, the Recipient Party and each of its Authorised Representatives shall take all reasonable steps to protect the Disclosing Party's privilege and that of any of its Affiliates in the Confidential Information and shall advise the Disclosing Party promptly in writing if any step is taken by any other party to obtain any of the privileged Confidential Information.
- 2.8 The Confidential Information will remain the Disclosing Party's or its Affiliates' exclusive property and neither the Recipient Party nor its Authorised Representatives will acquire any intellectual property rights or other proprietary rights in the Confidential Information.
- 2.9 Each Party accepts that knowledge of the Proposed Transaction and certain of the Confidential Information may be unpublished price sensitive information and is aware and will procure that its respective Affiliates and Authorised Representatives who obtain any Confidential Information are aware of their obligations relating to such Confidential Information under applicable laws, rules and regulations.

### **3. Security and destruction**

- 3.1 Each party will ensure that all Confidential Information acquired by it or its Authorised Representatives (including (without limitation) any Confidential Information stored on any disk, tape or other device) is kept in a secure place at all times, is not copied or otherwise duplicated without the Disclosing Party's prior written consent and is properly protected against theft, damage, loss or unauthorised access (including access by electronic means).
- 3.2 Each party agrees that it will not, and will procure that each of its Authorised Representatives who is a director or employee of that party will not, take or make any copies, notes or records of the Confidential Information or any of it, or authorise any other person to do so, other than for the purpose of supplying the Confidential Information to Authorised Representatives and will ensure that all such copies, notes or records are clearly marked as being confidential to the Disclosing Party.
- 3.3 The Recipient Party will notify the Disclosing Party immediately upon becoming aware that any of the Confidential Information has been disclosed to or obtained by any other party (otherwise than as permitted by this letter).
- 3.4 Each party and its Authorised Representatives will, upon written demand by the other party, at any time and for any reason or if such other party ceases to be interested in participating in the Proposed Transaction:
- (A) return to the Disclosing Party all Confidential Information; and/or
  - (B) use all reasonable endeavours to destroy or permanently erase any documents, disks or tapes (including, without limitation, any reports, analyses, memoranda or other documents prepared by the Recipient Party or its Authorised Representatives) containing, or derived from, any Confidential Information (and the Recipient Party will confirm such destruction or erasure in writing to the Disclosing Party); and
  - (C) delete all Confidential Information from its computer, word processor or other information retrieval systems and those of its Authorised Representatives; and
  - (D) use all reasonable endeavours to ensure that anyone to whom it or its Authorised Representatives have supplied any Confidential Information destroys or permanently erases such Information,

provided that in each case without prejudice to any duties of confidentiality in relation to such confidential information:

- (A) the Recipient Party may retain any Confidential Information as may be required by law or by any applicable regulatory requirements or requirements of any professional body or any reasonable internal compliance procedure; and
- (B) the Recipient Party may retain electronic files containing Confidential Information created pursuant to automatic archiving and back-up procedures.

All of this will be done within 10 business days of such demand or cessation of interest.

- 3.5 To the extent that any Confidential Information is not so destroyed or delivered, such Confidential Information will continue to be held by the Recipient Party, its Affiliates or Authorised Representatives in confidence on and subject to the terms of this letter.

### **4. Announcements and disclosure**

- 4.1 Neither party will make, or permit or procure to be made, or solicit or assist anyone else to make, any announcement or disclosure relating to the Proposed Transaction without the other party's prior written consent (which may be given on such terms as that other party considers appropriate).
- 4.2 Neither party, however, needs prior written consent to any announcement that is required by law or any court of competent jurisdiction or the rules of any competent judicial, governmental, supervisory or regulatory body (including the Panel) or of any stock exchange on which its



shares or other securities are listed or admitted to trading. If, however, any such announcement is required the relevant party will, if lawful and reasonably practicable, consult with the other as to the terms of such announcement (which in any event will only include such Confidential Information as is required by the relevant law or court or rule to be disclosed).

- 4.3 Nothing in this letter will prevent either Party from making a public announcement required by the Panel in relation to any of the matters referred to in paragraph 4.1 or from making any public announcement as referred to in Rule 2.3(d) of the Takeover Code.

5. **Non-solicitation**

- 5.1 Neither party will, during the period of 18 months from the date of this letter directly or indirectly, alone or through or with anyone else, in any manner, without the other party's prior written consent, solicit or entice away (or endeavour to solicit or entice away) from such other party or any of its Affiliates any person who is an officer, employee or secondee, customer, client, consultant, contractor or other business contact of such other party or any of its Affiliates whether or not that person would commit any breach of his or her contract of service in leaving their employment. The placing by a party of an advertisement of a position with such party or any of its Affiliates to members of the public generally and the recruitment of a person who responds to such a general advertisement or is recruited through an employment agency shall not constitute a breach of this paragraph 5.1 provided that the party does not encourage or advise either such person to respond to the advertisement or such agency to approach such employee specifically.

- 5.2 Paragraph 5.1 will not prevent the Recipient Party or any of its Affiliates from dealing with the Disclosing Party's or its Affiliate's customers and suppliers in the ordinary course of business, so long as the Recipient Party or its Affiliates do not refer in any way to the Proposed Transaction or refer in any way to or use any Confidential Information.

6. **Sources of information and consents**

- 6.1 Neither party will solicit, use or accept any information relevant to the other party or to the evaluation or negotiation of the Proposed Transaction from any current or former officer, employee, secondee, customer, client, consultant, supplier or contractor of such other party unless it has obtained such other party's prior written consent.

- 6.2 Without prejudice to paragraph 6.1, each party may only request Confidential Information it requires in relation to the evaluation and negotiation of the Proposed Transaction from those of the other party's Authorised Representatives who such other party identifies in writing for this purpose in due course. Each party may supply or withhold any Confidential Information so requested as it considers appropriate.

- 6.3 Each party agrees that it will not, and will procure that its Authorised Representatives will not, engage in any discussions concerning the Proposed Transaction or any matters relating thereto, or concerning any proposal which is initiated in substitution for the Proposed Transaction, with any person other than those expressly authorised or held out by the other party as having authority to do so, and in particular no such discussions shall be held with any of the other party's directors or employees not then involved in the evaluation or negotiation of any matter relating to the Proposed Transaction. Each party will provide the other with a list of those of its people who have such authorisation in due course.

7. **Responsibility for evaluation**

- 7.1 The Recipient Party acknowledges and agrees that documents, whether containing Confidential Information or otherwise, made available to it or its Authorised Representatives before, in the course of, or for the purpose of, negotiations relating to the Proposed Transaction will not constitute an offer, inducement or invitation by, or on behalf of the Disclosing Party, any Affiliate or any of its or their officers, employees or advisers, nor will such documents, nor the information contained in them, form the basis of any representation or warranty in or in relation to any contract.

- 7.2 The Recipient Party will be responsible for making its own evaluation of the Confidential Information and participating in the Proposed Transaction. The Recipient Party accepts that no liability for any direct, indirect or consequential loss or damage whatsoever, whether in contract, tort or otherwise and including liability for negligent misstatement, is accepted by or on behalf



of the Disclosing Party or any Affiliate or any of its or their officers, employees or professional advisers for the accuracy or completeness of any of the Confidential Information or for any opinions expressed by or on behalf of the Disclosing Party or any of them or for any errors, omissions or misstatements. Nothing in this letter shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

- 7.3 Each party confirms that it is responsible for its own costs including any costs incurred by it or its Authorised Representatives in evaluating and negotiating the Proposed Transaction (whether or not it proceeds) and in complying with the terms of this letter.

8. **Term**

- 8.1 With the exception of paragraphs 3, 13 and 14 which shall continue without limit in time, and except as expressly provided otherwise in this letter, the obligations under this letter will expire 2 years from the date of this letter or, if earlier, on completion of the Proposed Transaction.

9. **Standstill**

- 9.1 For a period of nine months from the date of this letter, you agree that you will not, without our prior consent, directly or indirectly, alone or through or with any other person or persons, in any manner:

- (A) acquire, announce an intention to acquire, offer or propose to acquire, offer to sell, or enter into any agreement, arrangement or undertaking (whether legally binding or not) to acquire or to sell, any direct or indirect interest in any securities of the Company in excess of 3 per. cent of the issued capital of the Company or take or omit to take any action as a result of which you or any person may acquire any direct or indirect interest in any securities of the Company in excess of 3 per. cent of the issued capital of the Company;
- (B) enter into any agreement, understanding or arrangement with any person with respect to the holding, voting or disposition of such securities;
- (C) seek to control, direct or influence the management, board of directors, shareholders, policies or affairs of the Company, or solicit, propose, seek to effect or negotiate with any other person with respect to any form of merger or other transaction for combining the Company or its undertaking with any other entity, or any restructuring, recapitalisation or similar transaction with respect to the Company;
- (D) solicit, make or propose or negotiate with any other person with respect to, or announce an intention to make, any offer for any securities of the Company or disclose any intent, purpose, plan or proposal with respect to the Company or any securities or assets of the Company inconsistent with the provisions of this letter, or assist, participate in, facilitate, encourage or solicit any effort or attempt by any person to do or seek to do any of the foregoing;
- (E) circulate, procure or encourage the circulation to shareholders of the Company of any proposals to shareholders of the Company or initiate, propose or otherwise solicit shareholders of the Company to vote in a particular manner or grant proxies for use at any meeting of such shareholders, or requisition or seek to requisition any meeting of the shareholders of the Company or induce or attempt to induce any other person to initiate any shareholder proposal or otherwise seek to influence in any manner whatsoever any person with respect to the Company;
- (F) seek election to, or seek to place a representative on, the board of directors of the Company or seek the removal of any member of the board of directors of the Company;
- (G) request the Company (or any of its directors, officers, employees or agents), directly or indirectly, to amend or waive any provision of this letter or to seek any modification to or a waiver of any of the provisions of this letter; or
- (H) announce an intention to do, or enter into any arrangement or understanding with others to do, any of the actions restricted or prohibited under this paragraph 9.

- 9.2 The restrictions in paragraph 9.1 shall cease to apply if:
- (A) Knight announces an offer under Rule 2.7 of the Code to acquire the Company which is recommended by the directors of the Company; or
  - (B) a third party which is not an Affiliate of or acting in concert with Knight announces an offer to acquire the Company under Rule 2.7 of the Code.
- 9.3 The restrictions in paragraph 9.1 shall not prohibit
- (A) any pension fund associated with Knight from acquiring interests in Ace's shares prior to the date on which the Transaction (or its possibility) is publicly announced by one or both of the Parties, provided that (at the time of the acquisition) the trustees of such fund had no knowledge of the Transaction and any such interests in Ace's shares do not exceed 3 per cent. in aggregate of the issued share capital of Ace from time to time; and
  - (B) any person who is a professional adviser of Knight from dealing in the Company's shares in the normal course of that person's investment or advisory business, provided that such action is not taken on the instructions of, or otherwise in conjunction with or on behalf of, Knight or any of its Affiliates that have received Confidential Information.
- 9.4 In this paragraph, "offer" includes any transaction which is subject to the Code as referred to in section 3(b) of the Introduction to the Code.
- 9.5 Nothing in this letter shall oblige a Party to be bound by any restrictions which the Panel determines would not be permitted by Rule 21.2 of the Code.

10. **Validity**

If any provision of this letter is held to be invalid or unenforceable under the laws of any jurisdiction, then that provision will (so far as it is invalid or unenforceable in that jurisdiction) be given no effect and will be deemed not to be included in this letter in that jurisdiction, but without invalidating any of the remaining provisions of this letter or the whole of this letter in any other jurisdiction. In those circumstances, the relevant party will promptly advise the other party about the invalidity or unenforceability.

11. **Remedies**

- 11.1 Each party accepts that damages may be an insufficient remedy for any harm suffered by a party caused by any breach of the terms of this letter by the other party or any of its Authorised Representatives and that the party not in default shall be entitled to seek other remedies, including (without limitation) the remedies of injunction and specific performance, in the event such a breach occurs or is anticipated.
- 11.2 Without limiting paragraph 11.1, each party acknowledges and agrees that the other party has a legitimate interest in the performance by it of its obligations under this letter and each party shall be entitled to claim for damages in respect of any breach of the terms of this letter.

12. **General**

- 12.1 No failure to exercise, nor any delay by us in exercising, any right, power, privilege or remedy under this letter will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any right, power, privilege or remedy under this letter or otherwise.
- 12.2 Each party's rights, powers, privileges and remedies and those of its Affiliates under this letter are cumulative and not exclusive of any rights, powers, privileges or remedies provided by law or otherwise.
- 12.3 Other than each party's Affiliates (each of which shall have the right to enforce any term of this letter as if it was specifically a party to this letter, on the basis that all acknowledgments, covenants and undertakings by you or us are made for the benefit of your or our Affiliates respectively), no person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this letter.



- 12.4 Each party confirms that it is acting in relation to the Proposed Transaction as principal and not as nominee, agent or broker for, or acting in concert (as defined in the Code) with, any other person. Each party also confirms that it is a person falling within one of the exemptions contained in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
- 12.5 This letter will enure to the benefit of, and be enforceable by, each of our successors and assigns and each party agrees to procure that its terms are observed by any successors and assigns of its business or interests or any part thereof as if they had been a party to this letter. You acknowledge and agree that we may assign the benefit of this letter in whole or in part to any person or persons who purchase all or part of the Company or its assets, but it may not be assigned by you without our prior written consent.
- 12.6 This letter may be executed in counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this letter, but the counterparts shall together constitute one and the same instrument.
13. **Governing law**
- 13.1 This letter (and any non-contractual obligations arising from or in connection with it) shall be governed by English law and this letter shall be construed in accordance with English law.
- 13.2 This letter constitutes the whole agreement between the parties and supersedes and extinguishes any earlier drafts and agreements between the parties as to the confidentiality of information relating to the Proposed Transaction or any part thereof so far as the same shall be inconsistent with the terms of this letter.
- 13.3 In relation to any legal action or proceedings arising out of or in connection with this letter (whether arising out of or in connection with contractual or non-contractual obligations) ("Proceedings"), each of the parties irrevocably submits to the exclusive jurisdiction of the English courts and waives any objection to Proceedings in such courts on the grounds of venue or on the ground that Proceedings have been brought in an inappropriate forum.
14. **Notice**
- 14.1 Any notice from one party to the other shall be in writing in the English language.
- 14.2 Any notice may be:
- (A) delivered personally, in which case it shall be deemed to have been given on delivery at the relevant address;
  - (B) sent by prepaid next day delivery post, in which case it shall be deemed to have been given two business days after the date of posting; or
  - (C) sent by fax, in which case it shall be deemed to have been given when sent, subject to confirmation of uninterrupted transmission by a transmission report provided that any notice sent by fax after 17:00 hours (at the place where the fax is to be received) on any day shall be deemed to have been received at 08:00 on the next business day.
- 14.3 Any notice must be sent to the address of the relevant party set out in this letter or the counterpart of this letter.



15. **Procedure for acceptance**

Please confirm your acceptance of the terms of this letter by signing and returning a copy of this letter to Tiarnan O'Rourke of Evercore or Giles Dennison of Simmons & Simmons.

Yours faithfully



.....  
For and on behalf of  
Anite plc

Knight Technologies, Inc. hereby accepts the terms of this letter.



By: .....STEPHEN D. WILLIAMS

Capacity: .....SVP, GENERAL COUNSEL + SECRETARY