

DEED OF IRREVOCABLE UNDERTAKING

To: The Directors
Pendragon plc
Loxley House 2 Oakwood Court
Little Oak Drive
Annesley
Nottingham
Nottinghamshire
NG15 0DR
(the “**Company**” or “**you**”)

September 15, 2023

Dear Sirs

We refer to:

- (i) **the proposed disposal to Lithia UK Holding Limited of Pendragon NewCo 2 Limited, a company incorporated and registered in England and Wales, which is a wholly-owned subsidiary of the Company, and which will hold, either directly or indirectly through its wholly-owned subsidiaries, the Company’s entire UK motor business and leasing business (the “Disposal”); and**
- (ii) **the proposed joint venture between the Company and Lithia UK Holding Limited for the principal purpose of co-developing the North American version of Pinewood Technologies PLC (the “Pinewood Joint Venture”).**

The Disposal and the Pinewood Joint Venture together, the “Proposed Transaction”.

We, the undersigned:

1. acknowledge that a substantially final draft of:
 - a. the circular of the Company, to be published on or around 22 September 2023, in connection with the Proposed Transaction and seeking shareholder approval at the Meeting (as defined below) in respect of the Resolution (as defined below) (the “**Circular**”); and
 - b. the announcement to be published by the Company in connection with the Proposed Transaction (the “**Announcement**”),

have been provided to us on the basis that they are to be treated as strictly confidential prior to their publication and that our decision to enter into this undertaking has been based solely on the contents of the Circular and the Announcement and we have not relied on any other information or representations whatsoever.

2. irrevocably and unconditionally undertake, represent and warrant to you as follows:

- a. we are the beneficial owner of, or are otherwise able to control the exercise of all rights attaching to, including the voting rights and the right to appoint a proxy in respect of, the number of ordinary shares of five pence each in the share capital of the Company set out in the first column of the table in the Schedule to this deed (the “**Shares**”) all of which are fully paid and are held by us free of all liens, charges, options, equity, encumbrances, restrictions and other adverse rights of any description;
- b. we have no legal or beneficial interest in any shares or other securities of the Company other than (i) the Shares and (ii) 2,440,203 ordinary shares of five pence each in the share capital of the Company subject to an equity swap with Morgan Stanley and the details of the Shares and other information set out in the Schedule to this deed are true, accurate and complete;
- c. we have, in respect of the Shares, the full power and all relevant authority and the right (free from any legal or other restrictions) to enter into this undertaking and fulfil our obligations under it and shall procure that the registered holder of the Shares shall take such actions as are necessary for us to comply with our obligations in this undertaking; and
- d. subject to paragraphs 4 and 5:
 - (1) we refer to the general meeting of the Company proposed to be held on or around 9 October 2023 at which the resolution set out in the notice of general meeting contained within the Circular is to be proposed (the “**Resolution**”) or any adjournment of it (the “**Meeting**”) and undertake as soon as reasonably practicable, and in any event before the deadline for the receipt of proxy appointments, to: (i) exercise, or procure the exercise of, all voting rights attaching to the Shares in favour of the Resolution; and (ii) appoint, or procure the appointment of, the Chair of the Meeting as proxy in respect of the Shares, in accordance with the instructions set out in the Circular, with instructions to exercise all voting rights attaching to the Shares in favour of the Resolution;
 - (2) without prejudice to the specific undertakings set out in paragraph 2.d above we shall exercise all voting and other rights attaching to the Shares in such a manner as to oppose any resolution or other action (and, where necessary, vote against any such resolution or other action, including any amendment to the Resolution or any adjournment of the Meeting) which would or could reasonably be expected to impede, prevent or delay or otherwise frustrate the Proposed Transaction or the passing of the Resolution by the requisite majority of the Company’s shareholders;
 - (3) we shall do, execute and perform, or procure the doing, execution and performance of, all such deeds and documents (in each case in a form reasonably satisfactory to the Company), assurances, acts and things as you may reasonably require to give effect to this undertaking and secure to you the benefit of the rights, powers and remedies conferred by this undertaking; and
 - (4) we shall not sell, transfer, charge, encumber, grant any option or other right over, pledge or otherwise dispose of all or any of the Shares, or accept any

offer in respect of all or any of the Shares, revoke the terms of any proxy whether in writing, by attendance at the Meeting or otherwise, or do anything which could restrict the voting rights of any of the Shares in any manner which could or might restrict or affect the voting rights of any of the Shares in any manner or permit any of the same.

3. We consent to:
 - a. the disclosure of our identity in the Announcement, the Circular and any associated press announcement to be released upon publication of the Circular and the inclusion of a statement that we have entered into this undertaking and permit the same in respect of any other document or medium where the Company is required to do so by law, regulation, regulatory body or the Listing Rules of the Financial Conduct Authority; and
 - b. the delivery of a copy of this undertaking to Jefferies International Limited (the “**Sponsor**”) or any other person who may require a copy.
4. This undertaking shall come into immediate effect and, save in respect of paragraphs 5, 6, 7 and 8, the provisions of this letter will terminate with immediate effect:
 - a. on the date that any person makes a firm offer announcement in relation to an acquisition of the entire issued and to be issued ordinary share capital of the Company, that the Board of Directors of the Company intends to recommend, under Rule 2.7 of the City Code on Takeovers and Mergers;
 - b. on the date that is six months from the date of this undertaking; or
 - c. if the Announcement is not released on or before 9 a.m. on 19 September 2023 (or such later date as we and the Company may agree).
5. If the provisions of this letter terminate we shall have no claim against the Company and the Company shall have no claim against us save in respect of any breaches of contract committed prior to termination.
6. The provisions of this undertaking will be enforceable independently of each of the others and their validity will not be affected if any of the others are invalid or otherwise unenforceable. If any provision of this letter is declared void or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with the modifications necessary to make it valid and enforceable.
7. We undertake to the Company that we will keep the contents of this letter and the matters referred to in it strictly confidential pending the release of the Announcement and that we will not make any announcement in connection with the Proposed Transaction (or which refers expressly or impliedly to the Proposed Transaction) without it being approved in writing by the Company as to its content, form and manner of publication save that any announcement required to be made by law or pursuant to the Listing Rules published by the Financial Conduct Authority or the City Code on Takeovers and Mergers may be made without such approval if it has first sought such approval and given the Company a reasonable opportunity to comment on the subject matter and the form of the announcement.
8. We acknowledge that in the course of discussing and executing this deed, this deed and the Circular have been provided to us on the basis that they, and the information contained in them, are to be treated as confidential until the Company has published such information and we confirm that, with respect to that information, we are aware of the offences constituting insider

dealing for the purposes of Part V of the Criminal Justice Act 1993 and Article 8 of the United Kingdom version of the Market Abuse Regulation (2014/596/EU) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

9. We acknowledge and confirm that the Sponsor is acting exclusively for the Company and no one else in connection with the Proposed Transaction and owes us no duty under the Financial Services and Markets Act 2000 as amended or the rules of the Financial Conduct Authority in connection with the giving of this undertaking and/or the terms hereof and will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Sponsor or for advising anyone other than the Company in relation to the Proposed Transaction.
10. In order to secure the performance of our obligations under this undertaking, we appoint any director of the Company from time to time as our attorney on our behalf and in our name or that of the attorney:
 - a. if we fail to comply with any of our undertakings under paragraph 2, to do all things and to execute all deeds and other documents as may be necessary or desirable to ensure compliance with such undertakings or proposal, in respect of the Shares;
 - b. to execute any form of proxy required by the Company to appoint any person nominated by the Company to attend a Meeting and vote on the Resolution; and
 - c. to execute and deliver any indemnities for missing share certificates, notices, instructions, agreements, deeds or other documents (including amendments thereto) and to do all acts and things as may be necessary for the performance of our obligations under this undertaking.
11. We agree that this power of attorney is given by way of security and is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 until this undertaking lapses in accordance with paragraph 4. This power of attorney shall at any time take effect as if it had individually named the persons who are at that time the directors of the Company. Any action authorised under this power of attorney may be taken by an attorney acting alone. We undertake to ratify everything which an attorney, acting in accordance with the terms of this power of attorney, may do or purport to do.
12. We have been given a realistic opportunity to consider whether or not we should give this undertaking and we have received independent advice about the nature of this undertaking. We acknowledge and agree that if we should fail to comply with our obligations and undertakings hereunder, damages may not be an adequate remedy and that an order for an injunction, specific performance or other equitable remedy may be the only adequate remedy for any such breach without proof of special damages.
13. Any time, date or period mentioned in this undertaking may be extended by mutual agreement but, as regards any time, date or period originally fixed or as extended, time shall be of the essence.
14. In the case where the Shares are registered in the name of a nominee, we shall procure that the nominee complies with the terms of this undertaking and we shall do all acts and things necessary to implement our obligations under this undertaking.
15. This undertaking contains the whole agreement between the parties relating to the matters contemplated by this undertaking and supersedes all previous agreements, whether oral or in writing, between the parties relating to these matters.

16. This undertaking and any dispute of whatsoever nature arising out of or in any way relating to it (including any non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law and we irrevocably submit to the exclusive jurisdiction of the English courts to settle any claim or dispute arising out of or in connection with this undertaking.

SCHEDULE

Number of ordinary shares held	Registered holder	Beneficial owner
140,127,084	Morgan Stanley Prime Broker	Briarwood Capital Partners LP

In witness whereof this undertaking has been executed and delivered as a deed on the date first above written.

Executed as a deed by)
BRIARWOOD CAPITAL PARTNERS LP)
acting by its general partner)
BRIARWOOD CAPITAL PARTNERS GP)
LLC, by its Managing Member)
[Redacted])



Managing Member