

## REGULATORY CLEAN TEAM AGREEMENT

**THIS AGREEMENT** is made on 12 March 2020

### **BETWEEN:**

- (1) **COUNTRYWIDE PLC** incorporated in England and Wales with registered number 08340090 and whose registered office is at 91-99 New London Road, Chelmsford, Essex, CM2 0PP (the "**Company**")
- (2) **CONNELLS LIMITED** incorporated in England and Wales with registered number 03187394 and whose registered office is at The Bailey, Skipton, North Yorkshire, BD23 1DN (the "**Competing Offeror**")

The Company and the Competing Offeror are together referred to as the **Parties** and individually as a **Party**.

### **INTRODUCTION**

- (A) The Competing Offeror is a bona fide potential offeror for the purpose of the City Code on Takeovers and Mergers (the "**Code**"), in relation to a potential transaction between the Competing Offeror and the Company, pursuant to which the Competing Offeror would offer to acquire all of the issued and to be issued share capital of the Company (the "**Possible Transaction**").
- (B) Ashurst LLP ("**Ashurst**") has been jointly instructed by the Company and LSL Property Services Plc, a company incorporated in England (registered no. 5114014, whose registered office is at Newcastle House, Albany Court, Newcastle Business Park, Newcastle upon Tyne, NE4 7YE) (the "**First Offeror**"), in relation to a potential transaction between the Company and the First Offeror, (the "**Original Transaction**").
- (C) In its capacity as counsel to the Company, Ashurst has received, and will continue to receive, information in relation to the Company in order to consider the need for and, where necessary, obtain the consent of one or more competition authorities or other regulatory bodies ("**Regulatory Information**"). Certain Regulatory Information which is commercially sensitive has been/will be received by Ashurst from the Company on an "Outside Counsel Only" basis, with its disclosure limited only to Ashurst, including in its capacity as external counsel of the First Offeror ("**Restricted Information**").
- (D) The Parties have entered into a mutual non-disclosure agreement dated 3 March 2020, in relation to the Possible Transaction (the "**Confidentiality Agreement**"). The Confidentiality Agreement shall apply to the Regulatory Information and Restricted Information and this Agreement shall not affect or supersede the confidentiality obligations of the Parties pursuant to the Confidentiality Agreement, all of which remain in full force and effect. Should, however, any provision of this Agreement conflict with other confidentiality obligations of the Parties, the provisions of this Agreement shall prevail in respect of the Regulatory Information and Restricted Information.
- (E) References in this agreement to the Competing Offeror shall also apply to any company or undertaking which at the time falls within the Competing Offeror's group of companies, the ultimate holding company of which is Skipton Building Society.

**THE PARTIES HEREBY AGREE** as follows:

1. Pursuant to Rule 21.3 of the Code, Ashurst will provide the Regulatory Information it has received in relation to the Company to the Competing Offeror on request.
2. Pursuant to Practice Statement 30 on Rule 21.3 of the Code, the Restricted Information will only be provided to the Competing Offeror's external competition lawyers, in particular Clifford

Chance LLP ("**Clifford Chance**"), or any external economists or legal advisors retained by Clifford Chance (the "**External Regulatory Clean Team**"). Such information will be clearly identified as "External Counsel Only".

3. The Competing Offeror will procure that the External Regulatory Clean Team ensures that the Restricted Information is kept strictly confidential and disclosed only to:
  - (a) members of the External Regulatory Clean Team; and
  - (b) competent antitrust and/or other regulatory authorities, as required for the purposes of obtaining merger control clearances;

except insofar as permitted under the terms of this Agreement or as is required by: (i) applicable law or regulation; (ii) any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory body; or (iii) by the rules of, or at the reasonable request of, any stock exchange on which the shares of the parties are listed.

4. Notwithstanding clause 3, the members of the External Regulatory Clean Team shall be permitted to communicate advice, opinions, reports or analyses to the Competing Offeror based on Restricted Information, so long as any such communications do not contain or enable the Competing Offeror to deduce or calculate the Restricted Information itself and are appropriately redacted, aggregated, or otherwise cleaned so as not to include or enable the recipient to deduce or calculate Restricted Information or any information derived from Restricted Information which would be competitively sensitive information for the purposes of the Competition Act 1998.
5. In the event that discussions between the Company and the Competing Offeror concerning the Possible Transaction are terminated:
  - (a) all Regulatory Information will be returned to the Company or destroyed according to the terms outlined in the Confidentiality Agreement; and
  - (b) the obligations set out under this Agreement shall continue in full force until the date that is 12 months after termination of discussion or negotiations.
6. The Competing Offeror and Clifford Chance shall respectively provide to the UK Panel on Takeovers and Mergers (the "**Panel**") a written confirmation substantially in the forms set out in Appendix 1, Parts A and B, or in such other form as the Panel may require. The Competing Offeror shall take all necessary steps to ensure that it and Clifford Chance comply with the confirmations set out in Appendix 1, Parts A and B and the arrangements set out in Appendix 2 in respect of Restricted Information disclosed by the Company.
7. The Competing Offeror shall procure that a list of key individuals who may receive Restricted Information shall be maintained by Clifford Chance and there shall be a nominated individual at Clifford Chance primarily responsible for ensuring compliance with the relevant provisions of this Agreement (the "**Responsible Person**").
8. The Competing Offeror shall, and shall procure that all members of the External Regulatory Clean Team shall, keep the Regulatory Information and any copies thereof secure and in such a way as to prevent unauthorised access by any third party.
9. The Competing Offeror shall procure that all members of the External Regulatory Clean Team shall keep the Restricted Information and any copies thereof secure and in such a way as to prevent unauthorised access by anyone other than members of the External Regulatory Clean Team.
10. The Competing Offeror shall, and shall procure that the External Regulatory Clean Team shall inform the Parties if it becomes aware that any Regulatory Information or Restricted Information has been disclosed to any person otherwise than in accordance with this Agreement.

11. This Agreement, its terms, and the activities conducted pursuant to this Agreement, constitute Confidential Information pursuant to the Confidentiality Agreement. Each Party shall and shall procure that this Agreement and its terms are not disclosed to anyone except insofar as permitted under the terms of this Agreement or as is required by: (i) applicable law or regulation; (ii) any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory body; or (iii) by the rules of, or at the request of, any stock exchange on which the shares of the relevant Parties are listed, provided that a copy of this Agreement may be: (x) provided to the Panel; (y) posted to any website required to be maintained by the UK City Code on Takeovers and Mergers; and (z) summarised in any document required to be issued publicly in connection with execution of the Possible Transaction to the extent required by applicable law or regulation.
12. In the event that documents or other written information or data are inadvertently or unintentionally provided ("**Inadvertently Produced Documents**") to the Competing Offeror or its representatives in the course of the Possible Transaction, the Company may demand in writing the return or destruction of any Inadvertently Produced Documents. Upon receipt of such a written demand, the Competing Offeror or its representatives shall promptly deliver to the Company or destroy all copies of the Inadvertently Produced Documents, except to the extent otherwise required by law or by any applicable regulatory requirements or so as to comply with a bona fide records retention policy, and shall undertake reasonable measures to ensure that the Inadvertently Produced Documents and the information or data contained therein are not further disseminated.
13. This Agreement shall be binding upon each Parties' respective successors, legal representatives and permitted assigns. This Agreement is solely for the benefit of the Parties hereto.
14. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibitions or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
15. The Competing Offeror shall, and shall procure that the External Regulatory Clean Team shall, promptly notify the Company upon becoming aware of any breach of this Agreement or any of the confirmations provided to the Panel in accordance with Clause 6 above.
16. The Parties acknowledge and agree that a breach of this Agreement by the Competing Offeror or members of the External Regulatory Clean Team may cause continuing and irreparable injury to the business of the Company as a direct result of such violation, for which remedies at law may be inadequate, and that the Company may therefore be entitled, in the event of any actual or threatened violation of this Agreement or such confirmations by the Competing Offeror or anyone retained by the Competing Offeror, and in addition to any other remedies available to it, to seek specific performance and injunctive or other equitable relief as a remedy against the Competing Offeror for such actual or threatened violation of this Agreement, and no proof of special damages may be necessary to enforce the terms of this Agreement.
17. No failure or delay by any Party to this Agreement to exercise any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power, or privilege hereunder.
18. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.
19. This Agreement may not be amended or modified except by a written agreement signed by each Party.

20. This Agreement and any non-contractual or other obligations arising out of or in connection with it are governed by English law.
21. The courts of England have jurisdiction to settle any dispute arising from or in connection with this agreement (including a dispute relating to non-contractual obligations arising from or in connection with this agreement or a dispute regarding the existence, validity or termination of this agreement or the consequences of its nullity) (a "**Dispute**").
22. The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
23. Each Party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any suit, action or proceedings ("**Proceedings**") and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum.

**EXECUTED by the Parties on the date first set out above.**

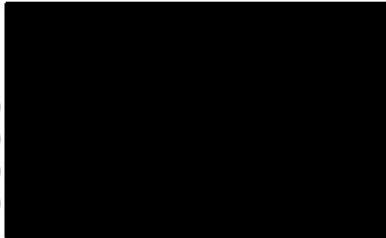
Signed by  )   
for and on behalf of **COUNTRYWIDE** )  
**PLC:**

Signed by )  
 )  
 )  
for and on behalf of **CONNELLS** )  
**LIMITED:**

**EXECUTED by the Parties on the date first set out above.**

Signed by )  
 )  
 )  
for and on behalf of **COUNTRYWIDE** )  
**PLC:**

Signed by )  
 )  
 )  
for and on behalf of **CONNELLS** )  
**LIMITED:**



## APPENDIX 1

### PART A

#### Form of Confirmation of Competing Offeror

[Letterhead of Competing Offeror]

#### Private and Confidential

██████████  
The Takeover Panel  
10 Paternoster Square  
London  
EC4M 7DY

#### By Email

[Date]

#### COUNTRYWIDE PLC ("COUNTRYWIDE") AND CONNELLS LIMITED ("CONNELLS")

We are currently in discussions with Countrywide in connection with a possible transaction (the "**Possible Transaction**"), pursuant to which we would be treated as an "offeror" for the purpose of the City Code on Takeovers and Mergers.

Pursuant to paragraph 4.1(c) of Practice Statement No 30, issued by the Takeover Panel and dated 8 October 2015, we confirm that:

1. we waive any rights to request Countrywide Restricted Information from any member of the External Regulatory Clean Team and waive any legal or professional obligations of disclosure which any member of the External Regulatory Clean Team may owe to us in respect of Countrywide Restricted Information;
2. no director or employee of Connells will receive or have access to any Countrywide Restricted Information until the offer becomes effective (if conducted by way of a scheme of arrangement) or unconditional in all respects (if conducted by way of a takeover offer), and
3. we will promptly inform the Panel if any Countrywide Restricted Information comes into our possession.

Yours sincerely,

██████████  
On behalf of Connells Limited

**PART B**  
**FORM OF CONFIRMATION OF LEAD EXTERNAL REGULATORY LEGAL COUNSEL**

[Letterhead of Clifford Chance]

**Private and Confidential**

██████████  
The Takeover Panel  
10 Paternoster Square  
London  
EC4M 7DY

**By Email**

[Date]

██████████  
**COUNTRYWIDE PLC ("COUNTRYWIDE") AND CONNELLS LIMITED ("CONNELLS")**

We are acting for Connells in connection with a possible transaction with Countrywide (the "**Possible Transaction**"), pursuant to which Connells would be treated as an "offeror" for the purpose of the City Code on Takeovers and Mergers (the "**Code**").

We note that Countrywide proposes to limit disclosure of certain information to us on an "external counsel only" basis (the "**External Counsel Only Information**"). Such information will be clearly identified as "External Counsel Only".

Pursuant to paragraph 4.1(a) of Practice Statement No 30 issued by the Takeover Panel and dated 8 October 2015 ("**PS 30**"), we attach in the Annex a list of the individuals proposed to be included in the External Regulatory Clean Team, including their positions and roles on the Possible Transaction.

In our capacity as external counsel to Connells, pursuant to paragraph 4.1(b) of PS 30, we confirm that we have appointed Alex Nourry as the individual who has taken responsibility for ensuring that the appropriate procedures and information barriers will be implemented and complied with by the External Regulatory Clean Team and who will review all advice to be provided by any member of the External Regulatory Clean Team to Connells to ensure that it does not disclose any Countrywide Restricted Information or any other information which enables Connells to deduce the Countrywide Restricted Information.

Pursuant to paragraph 4.1(d) of PS 30, and in our capacity as external counsel to Connells, we confirm that:

1. we will not disclose any Countrywide Restricted Information, or other information which enables a person to deduce Countrywide Restricted Information, to Connells or any person outside the External Regulatory Clean Team other than the relevant regulatory authorities;
2. effective information barriers and procedures have been implemented in order to ensure that Countrywide Restricted Information may only be accessed by members of the External Regulatory Clean Team; and
3. we will promptly inform the Panel if we become aware that any Countrywide Restricted Information has come into the possession of anyone other than the members of the External Regulatory Clean Team.

To the extent that it is determined to be necessary or appropriate to instruct law firms in other jurisdictions, we will provide the Panel with the names of any such additional firms to be instructed and will seek the Panel's permission to provide Countrywide Restricted Information to them on the basis of PS30.

Yours sincerely,





**Clifford Chance LLP**

**ANNEX**  
**LIST OF INDIVIDUALS PROPOSED TO BE INCLUDED IN THE EXTERNAL REGULATORY**  
**CLEAN TEAM**

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

## APPENDIX 2

1. Restricted Information will not be received by or made available to the Competing Offeror, provided, however, that members of the External Regulatory Clean Team may share the conclusions that they reach based on Restricted Information for the purposes of providing Competing Offeror with advice on any antitrust risks associated with the Possible Transaction, **provided that** such conclusions will not disclose Restricted Information or any other information that enables the recipient to deduce Restricted Information. Pursuant to paragraph 4.1(b) of Practice Statement 30 of the Panel, Clifford Chance confirms that [REDACTED] [REDACTED] has been appointed as the individual who will review all advice to be provided by any member of the External Regulatory Clean Team to the Competing Offeror to ensure that it does not disclose any Restricted Information or any other information which enables the Competing Offeror to deduce Restricted Information.
2. To the extent that any merger notifications, filings and submissions are in due course produced and include Restricted Information and (whether in draft or as submitted) are shared with the Competing Offeror, Restricted Information will be redacted before these documents are shared with the Competing Offeror.
3. To the extent that the Competing Offeror or any of its other advisers (not being members of the External Regulatory Clean Team) are to participate in meetings or calls with any relevant antitrust or regulatory authorities or are to receive correspondence from any such authorities, then appropriate arrangements will be put in place to ensure that no Restricted Information is provided to the Competing Offeror or such other advisers.
4. Restricted Information will be provided separately from any other data and information being provided in connection with the Possible Transaction (e.g. other business information needed for antitrust analysis, any other information exchanged by the parties for the purposes of due diligence or other analysis required in connection with the Possible Transaction).
5. Restricted Information will clearly be identified as "*outside counsel only*".
6. Restricted Information will be properly ring-fenced by the receiving external advisers (including from the corporate and transactional legal deal teams).
7. To the extent that Restricted Information is provided by email, or documents or materials containing or derived from the information are circulated by email, all such emails or documents will be filed or maintained in a folder or storage to which there is restricted access limited to members of the External Regulatory Clean Team.
8. To the extent that Restricted Information is provided via a dedicated online data room (the "**VDR**"), only the members of the External Regulatory Clean Team will have access to the relevant portion of the VDR.
9. The Panel will be promptly notified in the event that any Restricted Information does come into the possession of the Competing Offeror or any of its advisers who do not form part of the External Regulatory Clean Team.