

**Skipton
Building
Society**

**Loan
Agreement**

**Relating to a facility of up to £228 million
between**

**Connells Limited
Borrower**

and

**Skipton Building Society
Lender**



THIS LOAN AGREEMENT is dated 7 December 2020 and made between:

- (1) **Connells Limited** a private limited company incorporated in England and Wales on 17 April 1996 (registered number 3187394) under the Companies Act 1985 (as amended) and authorised and regulated by the Financial Conduct Authority with reference number 302221 (the **Borrower**); and
- (2) **Skipton Building Society** a building society incorporated in England and Wales under the Building Society Societies Act 1986 and authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority with reference number 153706 (the **Lender**).

IT IS AGREED as follows:

1. Definitions and interpretation

- 1.1 In this Loan Agreement the following expressions have the following meanings unless inconsistent with the context:

Acquisition means the proposed acquisition of all of the ordinary shares of Hampstead by the Borrower, whether by way of a Scheme or an Offer and including, in the case of an Offer, the acquisition of ordinary shares of Hampstead through the Squeeze-Out;

Availability Period means the period starting from the date of this Loan Agreement and ending on the last day of the Certain Funds Period;

Business Day means a day on which banks generally are open for business in London (excluding Saturdays, Sundays and bank or public holidays);

Central Bank Rate has the meaning given to that term in Schedule 4 (Compounded Daily Rate Formula);

Certain Funds Period means the period from and including the date of this Loan Agreement to and including the earlier of:

- (a) 30 June 2021;
- (b) if the Acquisition is to be implemented by way of a Scheme, the earlier of:
 - (i) the date on which the Scheme lapses, fails or is withdrawn; and
 - (ii) the date falling 14 days after the date on which the Scheme becomes effective in accordance with its terms; and
- (c) if the Acquisition is to be implemented by way of an Offer, the earlier of:
 - (i) the date on which the Offer lapses, terminates or is withdrawn in accordance with its terms; and
 - (ii) the date which is 30 days after the later of (1) the Unconditional Date; and (2) the date on which the Offer has closed for further acceptances or, in each case, if the Borrower has issued the requisite notices to shareholders of Hampstead prior to such date, such longer period as is necessary to complete the Squeeze-Out.

Compounded Daily Rate means the rate calculated in accordance with Schedule 4 (Compounded Daily Rate Formula);

Daily Rate has the meaning given to that term in Schedule 4 (Compounded Daily Rate Formula);

Day Count Fraction means Actual/365 (Fixed), calculated using the actual number of days in the Interest Period divided by 365;

Default means any event or circumstance set out in paragraph 12 (Events of Default) which, with the expiry of a grace period, the giving of notice or the making of any determination (or any combination of the foregoing) would constitute an Event of Default;

Default Rate means 2 per cent. per annum above the Interest Rate;

Event of Default means any of the events referred to in paragraph 12 (Events of Default);

Final Loan Repayment Date means 10th December 2040;

Hampstead means Countrywide plc, a public limited company incorporated in England and Wales on 21 December 2012 (registered number 08340090) under the Companies Act 1985 (as amended) whose Registered Office is at Greenwood House 1st Floor, 91-99 New London Road, Chelmsford, Essex, United Kingdom, CM2 0PP

Interest Determination Date means Fifth London Business Day prior to each Interest Payment Date;

Interest Period means the period from (and including) an Interest Payment Date (or the start date of the Loan) to (but excluding) the next (or first) Interest Payment Date;

Interest Rate has the meaning given to that term in paragraph 6.2 (Interest);

Legal Reservations means

- (a) the principle that equitable remedies may be granted, refused or limited at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable law, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of documentary taxes may be void and defences of set-off or counterclaim;
- (c) the principle that any provision for the payment of compensation or additional interest, or parts thereof, imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;
- (d) the principle that a court may not give effect to a provision dealing with the cost of litigation where the litigation is unsuccessful or the court itself has made an order for costs;
- (e) the limitation of validity and enforcement by laws relating to fraud (other than fraud on the part of the Borrower) or international public policy (including the principles non-recognition of judgments on the grounds of lack of natural justice or *res judicata*);
- (f) the principle that where a party to the Loan Agreement is vested with a discretion or may determine a matter in its opinion that party may be required to exercise that discretion reasonably or hold that opinion on reasonable grounds;
- (g) the principle that any determination or certification which provides for such determination or certificate to be conclusive may not be upheld if shown to have been incorrect, unreasonable, arbitrary or given other than in good faith;

- (h) similar principles, rights and defences existing or available under the laws of the jurisdiction where the relevant person is incorporated or conducts its business, to the extent such principles, rights and defences may not be waived or their application otherwise avoided with the consent of such relevant person.

Loan means the principal amount of a loan advanced by the Lender to the Borrower under this Loan Agreement and which is outstanding for the time being;

Margin means 2.8 per cent. per annum.;

Maximum Loan Amount means a sum up to £228 million;

Offer means a contractual takeover offer within the meaning of Section 974 of the Companies Act 2006 to acquire the entire issued and to be issued share capital of Hampstead not already owned by the Borrower (as such offer may be revised, extended, varied or renewed from time to time);

Scheme means a recommended final offer made or to be made by the Borrower to acquire the entire issued and to be issued share capital of Hampstead not already owned by the Borrower, to be effected by means of a proposed scheme of arrangement under Part 26 of the Companies Act 2006 (as such offer may be revised, extended, varied or renewed from time to time);

Squeeze-Out means, if the Borrower has become entitled to give notice under Section 979 of the Companies Act 2006, the procedure to be implemented under such section to acquire those outstanding ordinary shares in Hampstead which the Borrower has not acquired or contracted to acquire, or in respect of which it has not received valid acceptances pursuant to the Offer;

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the above); and

Unconditional Date means the date on which the Offer becomes, or is declared to be, unconditional in all respects in accordance with the requirements of the UK City Code on Takeovers and Mergers (as may be amended from time to time).

- 1.2 References in this Loan Agreement to any provisions of or definitions contained in this Loan Agreement or any other documents shall be construed as references to this Loan Agreement, that provision, or document in force for the time being and as amended from time to time but only to the extent that any such amendment has been made in accordance with the terms of this Loan Agreement.
- 1.3 Headings are for ease of reference only and shall be ignored in the interpretation of this Loan Agreement.
- 1.4 In this Loan Agreement, unless the context otherwise requires:
- (a) an Event of Default is continuing if it has not been waived by the Lender;
 - (b) references to paragraphs are to be construed as references to the paragraphs of this Loan Agreement;
 - (c) words importing the singular shall include the plural and vice versa; and
 - (d) references to persons shall include any firm, body corporate, company, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of any two or more of the foregoing.

2. The loan

- 2.1 Upon and subject to the provisions of this Loan Agreement, the Lender agrees to make available to the Borrower one or more loans in sterling, up to the Maximum Loan Amount.
- 2.2 If the Lender fails to perform any of its obligations under this Loan Agreement, such failure shall not in any way relieve the Borrower from any of its obligations under this Loan Agreement.

3. Drawdown

- 3.1 Subject to paragraphs 3.2 and 3.3, the Borrower may during the Availability Period drawdown an aggregate amount up to the Maximum Loan Amount by delivering one or more written notices (in the form of Schedule 1) (each a **Drawdown Request**) to the Lender by not later than two Business Days prior to the proposed date of such drawdown (or such shorter time as agreed by the Lender) (the date of such drawdown being the **Drawdown Date**).
- 3.2 The agreement on the part of the Lender to provide a Loan under this paragraph 3 shall be conditional upon the receipt by the Lender from the Borrower of:
- (a) this Loan Agreement duly signed by the Borrower; and
 - (b) a resolution of the directors of the Borrower (i) approving the entry into this Agreement and any related documents and (ii) authorising a specified person or persons to execute the Loan Agreement and any related documents on its behalf.
- 3.3 If the Acquisition is implemented by way of a Scheme:
- (a) the Borrower may only deliver one Drawdown Request and once such Drawdown Request under this paragraph 3 has been delivered, it is irrevocable unless otherwise agreed by the Lender; and
 - (b) for the avoidance of doubt, should the Borrower request an amount less than the Maximum Loan Amount, then the Borrower will not be permitted to draw the difference between the amount requested and the Maximum Loan Amount at a later stage.
- 3.4 If the Acquisition is implemented by way of an Offer, the Borrower may deliver one or more Drawdown Requests and once such Drawdown Requests under this paragraph 3 have been delivered, they are irrevocable unless otherwise agreed by the Lender.
- 3.5 If the Borrower has not drawn any Loan during the Availability Period, the Maximum Loan Amount shall be reduced to zero.

4. Purpose

- 4.1 The Borrower shall utilise the money borrowed under this Loan Agreement:
- (a) first, to acquire the ordinary shares of Hampstead and finance any other cash consideration, fees, costs or expenses payable in connection with the Borrower's acquisition of Hampstead;
 - (b) second, to repay Hampstead's net bank debt; and
 - (c) third, for general working capital requirements.
- 4.2 The Lender shall not be bound to monitor or verify the Borrower's application of any amount borrowed pursuant to this Loan Agreement.

5. Certain Funds

- (a) Subject to paragraph 3.2 (Drawdown), during the Certain Funds Period, the Lender will only be obliged to comply with paragraph 2.1 in relation to a Loan, if on the date of the Drawdown Request relating to such Loan and on the proposed Drawdown Date relating to such Loan:
- (i) no Event of Default listed in paragraphs 12.1(a), 12.1(f), 12.1(g)(ii) and 12.1(h) to 12.1(m) (inclusive but excluding paragraphs 12.1(j)(ii), 12.1(j)(iv), 12.1(k)(ii) and 12.1(l)(iv)), 12.1(n)(ii) (excluding any dispute of a provision of this Loan Agreement by the Lender) and 12.1(o) is continuing or would result from the proposed Loan; and
 - (ii) each of the Representations listed in paragraphs 10.1(a) to 10.1(c) (inclusive but excluding paragraphs 10.1(a)(ii) and 10.1(c)(ii)(2)) are true in all material respects.
- (b) During the Certain Funds Period (save in circumstances where, pursuant to paragraph (a) above, the Lender is not obliged to comply with paragraph 2.1 in relation to a Loan), the Lender shall not be entitled to:
- (i) rescind, terminate or cancel this Loan Agreement (or any commitments under this Loan Agreement) or exercise any similar right or remedy or make or enforce any claim it may have to the extent to do so would prevent or limit the making of a Loan;
 - (ii) refuse to participate in the making of a Loan;
 - (iii) exercise any right of set-off or counterclaim in respect of a Loan to the extent to do so would prevent or limit the making of a Loan; or
 - (iv) cancel, accelerate or cause repayment or prepayment of any amounts owing under this Loan Agreement to the extent to do so would prevent or limit the making of a Loan,

provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Lender notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

6. Interest

- 6.1 In consideration of the Lender making the Loans available to the Borrower, the Borrower shall pay to the Lender interest on the Loans at the Interest Rate.
- 6.2 The rate of interest on each Loan (the **Interest Rate**) for each Interest Period is the percentage rate per annum equal to the aggregate of the:
- (a) Margin, plus
 - (b) the Compounded Daily Rate
- 6.3 Interest under paragraph 6.1 shall be paid semi-annually in arrears on the 10th of each June and December (each an **Interest Payment Date**), to the bank account set out in paragraph 15 of this Loan Agreement.
- 6.4 The first interest payment date will be 10th December 2021 (the **First Interest Payment Date**).
- 6.5 Notwithstanding paragraph 21 (Amendments and variations), the Lender may change the Margin on the Loans at any time by giving 30 days' notice to the Borrower:

- (a) to enable the Lender to respond proportionately to reasonably expected changes to its cost of the funds;
 - (b) to enable the Lender to respond proportionately to any change in capital requirements;
 - (c) to enable the Lender to respond proportionately to any change in tax requirements;
 - (d) to enable the Lender to take proportionate steps to ensure that it complies with any legal obligations, or rules, guidance, decisions or recommendations of regulators, which are intended to promote the safety and soundness of the Lenders business; or
 - (e) where, in the Lender's reasonable opinion, the change is required to maintain the financial strength in the interests of the Lender's membership as a whole.
- 6.6 If the Borrower does not pay, when due an amount payable to it under this Loan Agreement, or if an Event of Default shall occur by the Borrower, without prejudice to its other obligations, the Borrower will pay interest on that overdue amount (including interest payable under this paragraph) at the Default Rate, calculated from its due date to the date of its receipt by the Lender (after as well as before judgment) compounded and payable at intervals selected by the Lender at its discretion. The obligation to pay default interest arises without the need for a notice or demand.
- 6.7 If two or more Loans remain outstanding on the last day of the Availability Period, then those Loans will be consolidated into, and treated as, a single Loan (in an aggregate amount equal to the aggregate amount of such Loans immediately prior to such consolidation) on and from the last day of the Availability Period.

7. Repayment

- 7.1 Without limitation to paragraph 12 (Events of Default), the Borrower shall repay the Loans in equal semi-annual instalments on each Interest Payment Date. The first instalment will be payable on the First Interest Payment Date. The Lender will notify the Borrower of the semi-annual instalments (by the return of the acknowledgement in Schedule 1) or, if applicable, the aggregate semi-annual instalments (including the proposed new Loan and any then-existing Loan) following receipt of a Drawdown Request.
- 7.2 Without prejudice to paragraph 7.1, the final instalment in respect of the Loans shall be repaid on the Final Loan Repayment Date and will be the balance of the outstanding Loans.

8. Prepayment

- 8.1 The Borrower may, if it gives the Lender not less than five Business Days' prior written notice (or such shorter period as the Lender may agree), prepay the whole or any part of a Loan without any penalty or fee becoming payable as a result of such prepayment and without the consent of the Lender.
- 8.2 The Borrower may not re-borrow all or any part of a Loan which is prepaid pursuant to paragraph 8.1.
- 8.3 Should the Borrower prepay part (but not the whole) of a Loan, then the Lender will recalculate and notify the Borrower of the new instalment requirement amount to repay the Loans in equal instalments over the remaining life of the Loans (by completing Schedule 2).
- 8.4 Should the Borrower prepay the whole of a Loan, such prepayment shall be accompanied by all accrued interest, fees and other amounts then due under such Loan (the **Applicable Amounts**). The Lender shall notify the Borrower of the amount of such Applicable Amounts by the date falling 2 Business Days before the proposed prepayment date.

9. Notification of principal and interest due

- 9.1 The amount of interest due under a Loan will not be known until the Interest Determination Date. To assist the Borrower, by the third Business Day after the Interest Determination Date, the Lender will notify the Borrower (by completing and delivering to the Borrower the notice in the form set out in Schedule 3 (a **Determination Notice**)) of the amount of interest and principal due which is applicable to the relevant Interest Period (the **Delivery Deadline**).
- 9.2 Failure to deliver such notification does not remove the Borrowers obligation to pay the Lender the required amount of interest and principal due under a Loan provided that if the Determination Notice for the relevant Interest Period has not been delivered by the Delivery Deadline, the Borrower shall not be required to pay the required amount of principal and interest due under that Loan until the second Business Day after delivery of the relevant Determination Notice.

10. Representations and warranties

- 10.1 The Borrower represents and warrants to and for the benefit of the Lender that:
- (a) it (i) is duly incorporated, validly existing under the laws of England and Wales and (ii) has the power to own its assets and carry on its business as it is being conducted;
 - (b) it has the power to enter into, perform and deliver, and has taken all necessary action and obtained all necessary authorisations, licences and consents to authorise its entry into, performance and delivery of, and has duly executed this Loan Agreement and has taken all necessary steps (if any) to make this Loan Agreement admissible in evidence in the courts of England;
 - (c) (i) this Loan Agreement constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms and (ii) the entry into and performance by it of this Loan Agreement and does not and will not conflict with (1) any law or regulation applicable to it, or (2) with any agreement or instrument binding upon it or any of its assets;
 - (d) no Event of Default is continuing or would result from a proposed Loan; and
 - (e) all information, whether in written or electronic format, supplied by, or on its behalf, to the Lender in connection with this Loan Agreement was, at the time it was supplied or at the date it was stated to be given (as the case may be):
 - (i) if it was factual information, complete, true and accurate in all material respects;
 - (ii) if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair and made on reasonable grounds;
 - (iii) if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds;
 - (iv) not misleading in any material respect, nor rendered misleading by a failure to disclose other information; and
 - (v) except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Borrower to the Lender.
- 10.2 The representations and warranties set out in paragraph 10.1 shall be deemed to be repeated on the day of sending each drawdown request and each day on which a Loan or any other

amount due to the Lender pursuant to this Loan Agreement remain outstanding, with reference to the facts and circumstances subsisting at the time at which they are repeated.

11. Undertakings

- 11.1 The undertakings in this paragraph 11 remain in force from the date of this Loan Agreement until the later of (i) the end of the Availability Period (if no Loan has been drawn by such date) and (ii) the date on which all amounts due and payable under this Loan Agreement have been fully and finally repaid, and save as the Lender might otherwise give its prior written consent.
- 11.2 The Borrower shall carry on and conduct its business in a proper manner and will not make any substantial change to the general nature or scope of its business as carried on at the date of this Loan Agreement, without the prior written consent of the Lender.
- 11.3 The Borrower shall comply in all material respects with all applicable laws.
- 11.4 The Borrower promptly shall obtain, comply with and do all that is necessary to maintain in full force and effect any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required under any law or regulation of any relevant jurisdiction to:
- (a) enable it to perform its obligations under this Loan Agreement; and
 - (b) ensure the legality, validity, enforceability or admissibility in evidence of this Loan Agreement.
- 11.5 The Borrower shall not directly or indirectly use the proceeds of the Loans for any purpose which would breach the Bribery Act 2010 or other similar legislation in other jurisdictions.
- 11.6 The Borrower shall pay and discharge all Tax imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
- (a) such payment is being contested in good faith; and
 - (b) such payment can be lawfully withheld.
- 11.7 The Borrower's payment obligations under this Loan Agreement must rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally unless the prior written consent of the Lender is obtained.

12. Events of Default

- 12.1 Each of the following events or circumstances is an Event of Default:
- (a) the Borrower fails to pay any sum payable under this Loan Agreement on the due date and in the currency and manner provided for (provided that such failure shall not constitute an Event of Default if it occurs solely for technical reasons affecting the transfer of funds despite timely payment instructions by the Borrower and that payment is received by the Lender no later than two Business Days after the due date);
 - (b) the Borrower fails to comply with any provision of this Loan Agreement or any material provisions of any other document delivered under or in connection with this Loan Agreement unless such failure to comply is capable of remedy and has been remedied within 10 Business Days of such failure to comply;
 - (c) any representation or statement made by the Borrower in this Loan Agreement or any other document delivered by the Borrower under or in connection with this Loan Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

- (d) an event of circumstance occurs which has, or is reasonably likely to have, a material adverse effect on (i) the Borrower's business, operations or financial condition, (ii) its ability to fulfil its material obligations under this Loan Agreement or (iii) the validity and enforceability of this Loan Agreement;
- (e) if the Lender ceases to own at least 75% of the shares in the Borrower or control at least 75% of voting rights to such shares or loses the right to appoint a majority of the board of directors of the Borrower;
- (f) the Borrower disposes of all or substantially all of its assets (whether such assets are owned directly or indirectly by the Borrower and whether in a single transaction or a series of related transactions);
- (g) it (i) is unlawful or (ii) becomes unlawful, in each case, for the Lender to perform any of its obligations under this Loan Agreement or to fund or maintain its participation in any Loan;
- (h) the Borrower ceases to carry on all or a material part of its business;
- (i) the Borrower repudiates, rescinds or evidences an intention to repudiate or rescind this Loan Agreement.
- (j) if:
 - (i) any financial indebtedness of the Borrower is not paid when due or within any originally applicable grace period;
 - (ii) any financial indebtedness of the Borrower becomes due, or capable of being declared due and payable prior to its stated maturity by reason of an event of default howsoever described;
 - (iii) any commitment for financial indebtedness of the Borrower is cancelled or suspended by a creditor by reason of an event of default howsoever described; or
 - (iv) any creditor of any member of the Borrower becomes entitled to declare any financial indebtedness of the Borrower due and payable prior to its stated maturity by reason of an event of default (howsoever described),

provided that no Event of Default shall occur under this paragraph if the aggregate amount of financial indebtedness or commitment for financial indebtedness falling within the sub-paragraphs above is less than £5,000,000 or its equivalent in other currencies;

- (k) if:
 - (i) the Borrower is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (ii) the value of the assets of the Borrower is less than its liabilities (taking into account contingent and prospective liabilities); or
 - (iii) a moratorium is declared in respect of any indebtedness of the Borrower, or any analogous procedure, event or step in any jurisdiction

- (l) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Borrower;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets; or
 - (iv) enforcement of any Security over any assets of the Borrower,

or any analogous procedure, event or step is taken in any jurisdiction. This paragraph shall not apply to (1) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within fourteen days of commencement or (2) any step or action (howsoever described) taken in connection with a solvent liquidation or reorganisation of the Borrower;
- (m) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower having an aggregate value of £5,000,000 and is not discharged within 15 days;
- (n) subject to the Legal Reservations:
 - (i) any material provision of this Loan Agreement is; or
 - (ii) any material provision of this Loan Agreement becomes,

in each case, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect; or
- (o) it is or becomes unlawful for the Borrower to perform its obligations under this Loan Agreement.

12.2 On and at any time after the occurrence of an Event of Default (if the Event of Default is continuing) the Lender may, without prejudice to any of its other rights, declare by notice to the Borrower that all of the Loans have become immediately due and payable, and may demand that the Borrower repays the Loans immediately together with accrued interest and any other sums which are payable under this Loan Agreement.

12.3 The Borrower shall notify the Lender immediately on the Borrower becoming aware of the occurrence of an Event of Default.

12.4 The Borrower shall indemnify the Lender on demand against any loss, damage or liability incurred by the Lender as a consequence of any Event of Default.

13. Payments

13.1 All payments to be made by the Borrower under this Loan Agreement shall be made without set-off or counterclaim and free and clear of any withholding or deduction for or on account of Tax, save as may be required by law, provided that if the Borrower is required to make such a deduction or withholding the Borrower shall pay the amount required to be deducted or withheld to the relevant taxation authority and shall provide to the Lender a certificate of deduction of Tax (or a copy thereof) evidencing the payment to such taxation authority.

13.2 If any payment is due to be made on a day that is not a Business Day, it shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

14. Notices

14.1 Each communication to be made hereunder shall be made in writing and sent by personal delivery, by post or by e-mail to the addressee set out in paragraph 14.2.

14.2 The address of each party for any communication or document to be made or delivered under or in connection with this Loan Agreement is:

(a) in the case of the Borrower:

Address: Cumbria House, 16-20 Hockliffe Street
Leighton Buzzard, Bedfordshire, LU7 1GN

Attention: [REDACTED]

Email: [REDACTED]

(b) in the case of the Lender:

Address: The Bailey, Skipton BD23 1DN

Attention: [REDACTED]

Email: [REDACTED]

or any substitute address as either party may notify to the other by not less than five Business Days' notice.

14.3 Any such notice or other communication shall be sent to the address in paragraph 14.2, if so addressed, shall be treated as having been duly given or made as follows:

(a) if posted, on the second Business Day after the day on which it was sent by pre-paid first class post;

(b) in the case of electronic mail, on the same Business Day that that message was sent; and

(c) a notice or other communication given as described in paragraph 14.3(a) or (b) on a day which is not a Business Day, or after 5pm, in the place received, shall be deemed to have been received on the next Business Day.

14.4 The address for service in accordance with paragraph 14.3 shall be the recipient's address as detailed at in paragraph 14.2. However a party may by serving 15 days' written notice notify the other party to this Loan Agreement of an alternative address for the purposes of paragraph 14.3 provided that such notification shall only be effective on:

(a) the date specified in the notification as the date on which the change is to take place; or

(b) if no date is specified, the date falling five Business Days after notice of any such change has been given.

15. Payment Details

Both the Lender and Borrower will make all payments through the CHAPS system (free of payment charges).

15.1 Bank account details for Lender:

Bank: [REDACTED]
Sort code: [REDACTED]
Account No: [REDACTED]
Account Name: [REDACTED]

15.2 Bank account details for Borrower:

Bank: [REDACTED]
Sort code: [REDACTED]
Account No: [REDACTED]
Account Name: [REDACTED]

16. No waivers, remedies cumulative

No delay or omission on the part of the Lender in exercising any right, power or remedy under this Loan Agreement, nor any single or partial exercise thereof, will preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Lender under this Loan Agreement are cumulative and not exclusive of any right, power or remedy provided by law.

17. Partial invalidity

If, at any time any provision under this Loan Agreement is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Loan Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired thereby.

18. Third parties

A person who is not a party to this Loan Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Loan Agreement, but this does not affect any right or remedy of the third party which exists or is available apart from that Act.

19. Assignment

19.1 The Borrower may not assign or transfer any of its rights or obligations under this Loan Agreement without the prior written consent of the Lender.

19.2 Prior to the end of the Certain Funds Period, the Lender may not assign or transfer any of its rights or obligations under this Loan Agreement without the prior written consent of the Borrower. After the end of the Certain Funds Period, the Lender may assign or transfer all or any of its rights or obligations under this Loan Agreement without the consent of the Borrower.

20. Set-Off

20.1 All payments to be made by the Borrower under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

20.2 Subject to paragraph 5(b), the Lender may set off any matured obligation due from the Borrower under this Loan Agreement against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation.

21. Amendments and variations

No term of this Loan Agreement may be amended or varied without the prior written agreement of the Lender and the Borrower.

22. Governing law and jurisdiction

This Loan Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed for all purposes in accordance with the laws of England and Wales, and the parties hereto submit to the jurisdiction of the courts of England and Wales to hear any suit or action arising hereunder.

23. Miscellaneous

23.1 Both the Lender and the Borrower will be responsible for settling their own fees and expenses.

23.2 This Loan Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Loan Agreement.



For and on behalf of

Skipton Building Society

Name:



.....

Title:



.....



For and on behalf of

Connells Limited

Name:



Title:



Schedule 1 – Form of Drawing Notice

Skipton Building Society
The Bailey
Skipton
BD23 1DN

For the attention of: [REDACTED]

Email: [REDACTED]

[Date]

Dear Sir/Madam

Drawdown Request

We refer to the Loan Agreement dated [•] 2020 in respect of a loan of up to £228 million between Connells Limited (as Borrower) and Skipton Building Society (as Lender) (the **Loan Agreement**).

This notice is being provided to you in accordance with paragraph 3 of the Loan Agreement.

We wish to make a drawdown of a Loan as follows:

The amount is to be: £•
Start Date: [Enter date]

Please pay the proceeds of the requested Loan to the bank account specified in paragraph 15 of the Loan Agreement.

Yours faithfully,

Signed for and on behalf of Connells Limited

By: _____

Dated: _____

Acknowledgement of Drawdown Request

The Lender acknowledges the above request, and will arrange to make payment in accordance with the instructions.

As a result, the semi-annual instalment on the [aggregate amount of the] Loan[s] will be as follows:

New instalment amount: £•
Date of next instalment due: •

Signed for and on behalf of Skipton Building Society

By: _____

Dated: _____

Schedule 2 – Notification of instalment amount

Connells Limited Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire, LU7 1GN

For the attention of: [REDACTED]

Email: [REDACTED]

[Date]

Dear Sir/Madam

Change of Instalment Amount

I refer to the loan agreement dated [●] 2020 in respect of a loan facility of up to £228 million between Connells Limited (as Borrower) and Skipton Building Society (as Lender) (the **Loan Agreement**).

This notice is being provided to you in accordance with paragraph 8 of the Loan Agreement.

I wish to advise you that the [aggregate] semi-annual instalment amount on the Loan[s] will change as follows:

New instalment amount: £●
Date of next instalment due: ●

Yours faithfully,

Signed for and on behalf of Skipton Building Society

By: _____

Schedule 3 – Notification of principal and interest amount

Connells Limited Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire, LU7 1GN

For the attention of: [REDACTED]

Email: [REDACTED]

[Date]

Dear Sir/Madam

Notification of Principal and Interest Amount

I refer to the loan agreement dated [●] 2020 in respect of a loan facility of up to £228 million between Connells Limited (as Borrower) and Skipton Building Society (as Lender) (the **Loan Agreement**).

This notice is being provided to you in accordance with paragraph 8 of the Loan Agreement.

I wish to advise you that following amount of is due on the Loan[s]:

Amount of principal due: £●

Amount of interest due: £●

Date due: ●

Yours faithfully,

Signed for and on behalf of Skipton Building Society

By: _____

Schedule 4 – Compounded Daily Rate Formula

Compounded Daily Rate Formula

The **Compounded Daily Rate** for an Interest Period of a Loan is the percentage rate per annum (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) which is equal to the rate of return of a daily compound interest investment with the Daily Rate as the reference rate for the calculation of interest and calculated as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Daily Rate}_{i-pBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

“BD” means Business Day.

“d” is the number of calendar days in that Interest Period.

“d₀” is the number of Business Days in that Interest Period.

“i” is a series of whole numbers from one to d₀ each representing a Business Day in chronological order in that Interest Period.

“n_i” for any day “i” means the number of calendar days from and including such day “i” up to but excluding the following Business Day.

“p” means for any Interest Period, the number of Business Days included in the “SONIA Lag Period (p)”.

“SONIA Lag Period (p)” means five Business Days

Central Bank Rate means the Bank of England’s Bank Rate as published by the Bank of England.

Daily Rate means:

- a) The sterling overnight index average rate administered by the Bank of England (or any other person which takes over the administration of that rate) displayed on page SONIO/N Index of the Bloomberg screen and if that rate is less than zero, the Daily Rate shall be deemed to be zero; or
- b) if that rate is not available, the Central Bank Rate prevailing at close of business on the relevant Business Day plus the mean of the spread of the Daily Rate calculated in accordance with paragraph (a) above to the Central Bank Rate over the previous five days on which a Daily Rate calculated in accordance with paragraph (a) above has been published, excluding the highest spread (or if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Central Bank Rate, and if that rate is less than zero, the Daily Rate shall be deemed to be zero; or
- c) if that rate is not available, the last publicly available Central Bank Rate prior to the relevant Business Day plus the mean of the spread of the Daily Rate calculated in accordance with paragraph (a) above to the Central Bank Rate over the previous five days on which a Daily Rate calculated in accordance with paragraph (a) above has been published, excluding the highest spread (or if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Central Bank Rate, and if that rate is less than zero, the Daily Rate shall be deemed to be zero.

Daily Rate_{i-pBD} means in relation to any Business Day falling in that Interest Period, the Daily Rate for the day falling “p” Business Days prior to that Business Day “i”.

For the avoidance of doubt, the formula for the calculation of Compounded Daily Rate only compounds the Daily Rate in respect of any Business Day. The Daily Rate applied to a day that is a non-Business Day will be taken by applying the Daily Rate for the previous Business Day but without compounding.

Notwithstanding the paragraphs above, if the Bank of England publishes guidance as to (i) how the Daily Rate is to be determined or (ii) any rate that is to replace the Daily Rate, the Lender shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the Daily Rate for the purpose of this Loan Agreement for so long as the Daily Rate is not available or has not been published by the authorised distributors.

To the extent that any amendments or modifications to the terms of this Agreement are required in order for the Lender to follow such guidance in order to determine the rate of Interest on a Loan, the Lender and the Borrower shall enter into negotiations in good faith (for a period of not more than thirty days) with a view to agreeing such amendments.