

**17 July 2023**

**SEED BIDCO LIMITED**

**AND**

**GRESHAM HOUSE PLC**

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**CO-OPERATION AGREEMENT**

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## CONTENTS

1.	Definitions and interpretation .....	1
2.	Publication of the Announcement and the terms of the Acquisition .....	8
3.	Regulatory clearances .....	9
4.	Scheme Document .....	12
5.	Implementation of the Acquisition .....	12
6.	Switching to an Offer .....	13
7.	Target dividends.....	15
8.	Target Share Plans .....	15
9.	Directors' and officers' insurance.....	15
10.	Termination.....	16
11.	Code .....	17
12.	Representations and warranties.....	17
13.	Costs.....	18
14.	Entire agreement .....	18
15.	Assignment .....	18
16.	Notices .....	18
17.	Language.....	20
18.	Waivers, rights and remedies .....	20
19.	No partnership.....	20
20.	Further assurances.....	20
21.	Counterparts .....	20
22.	Variations.....	20
23.	Invalidity .....	21
24.	Third party enforcement rights .....	21
25.	Governing law and jurisdiction.....	21
	Schedule 1 .....	23
	Schedule.....	24

**THIS AGREEMENT** is dated 17 July 2023

**BETWEEN:**

- (1) **SEED BIDCO LIMITED**, a private limited company incorporated in England and Wales with company number 72062 whose registered office is at Redwood House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA ("**Bidco**"); and
- (2) **GRESHAM HOUSE PLC**, a public limited company incorporated in England and Wales with company number 00000871 whose registered office is at 5 New Street Square, London EC4A 3TW ("**Target**"),

(each a "**Party**" and, together, the "**Parties**").

**WHEREAS:**

- (A) Bidco proposes to announce shortly following execution of this Agreement a firm intention to make a recommended offer for the entire issued and to be issued share capital of Target pursuant to Rule 2.7 of the Code.
- (B) The Acquisition will be made on the terms and subject to the conditions set out in the Announcement and this Agreement.
- (C) The Parties intend that the Acquisition will be implemented by way of the Scheme, although Bidco reserves the right, subject to the terms of this Agreement and the Announcement, to implement the Acquisition by way of an Offer.
- (D) The Parties are entering into this Agreement to set out certain obligations and commitments in relation to the implementation of the Acquisition (whether by way of the Scheme or an Offer).

**IT IS AGREED** as follows:

**1. Definitions and interpretation**

- 1.1 In this Agreement (including the recitals but excluding Schedule 1), the terms and expressions listed in this clause 1.1 shall have the meanings set out in this clause 1.1. Terms and expressions used in Schedule 1 shall have the meanings given to them in Schedule 1.

"**2020 LTIP**" means the modified PSP pursuant to which the 2020 LTIP Awards were granted on 23 December 2020;

"**2020 LTIP Awards**" means the Awards granted on 23 December 2020 under the 2020 LTIP;

"**Acceptance Condition**" means the acceptance condition to any Offer;

"**Acquisition**" means the proposed acquisition of the entire issued and to be issued share capital of Target by Bidco to be effected by way of: (i) the Scheme; or (ii) an Offer (as the case may be);

"**Acquisition Document**" means: (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if an Offer is (or is to be) implemented, the Offer Document;

"**Agreed Switch**" has the meaning given in clause 6.1(a);

“**AIM Rules**” means the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;

“**Announcement**” means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in Schedule 1;

“**Antitrust Laws**” means all Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolisation or restraint of trade or significant impediments or lessening of competition or the creation or strengthening of a dominant position through merger or acquisition, in any case that are applicable to the Acquisition;

“**Award**” means an option or a conditional award to acquire Target Shares granted pursuant to the Target Share Plans;

“**BFSC**” means the Financial Services Commission of Barbados;

“**Bidco Directors**” means the directors of Bidco from time to time;

“**BSM**” means the Target Bonus Share Matching Plan 2018;

“**Build to Rent Fund PSP Award**” means the Award granted under the PSP on 15 March 2022 with a performance condition relating to fund raising for the Build to Rent Housing Fund, as amended on 8 March 2023;

“**Business Day**” means any day (excluding any Saturday or Sunday or public or bank holiday) on which banks are open for business in London, United Kingdom, New York, United States of America and Toronto, Canada;

“**Cash Settled Awards**” means the Build to Rent Fund PSP Award and the Awards granted under the PSP on 5 August 2022;

“**CBI**” means the Central Bank of Ireland or its successor from time to time;

“**CIMA**” means the Cayman Islands Monetary Authority or its successor from time to time;

“**Clearances**” means any approvals, consents, clearances, determinations, permissions, confirmations, comfort letters, orders of disclaimer of control, waivers of prior approval and waivers that may need to be obtained, all applications and filings that may need to be made and all waiting periods that may need to have expired, from or under any Law or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions; and any reference to any Clearance having been “satisfied” shall be construed as meaning that the foregoing has been obtained, or where relevant, made or expired;

“**Code**” means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

“**Companies Act**” means the Companies Act 2006;

“**Competing Proposal**” means:

- (a) an offer (as defined in the Code) (including a partial offer for 30% or more of the issued or to be issued ordinary share capital of Target, exchange or tender offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, Rule 9 waiver (as defined in the Code) and/or business combination (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued or to be issued ordinary share capital of Target (when aggregated with the shares already held by the acquirer and any person acting or presumed or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Code) of Target;
- (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Target Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (c) a demerger and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Target Group calculated by reference to any of its revenue, profits or value taken as a whole; or
- (d) any other transaction which would be reasonably likely materially to preclude, impede or delay or otherwise prejudice, be a bona fide alternative to, or materially inconsistent with, the implementation of the Acquisition,

in each case which is not effected by Bidco (or a person acting in concert with Bidco at Bidco's direction or with Bidco's agreement) and in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

**"Conditions"** means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix I to the Announcement and to be set out in the Acquisition Document (including the Regulatory Conditions), as may be amended by Bidco with the consent of the Panel (and, for so long as the Scheme is subject to a unanimous and unqualified recommendation from the board of directors of Target, with the consent of Target); and
- (b) for so long as the Acquisition is being implemented by means of an Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition and as may be further amended by Bidco with the consent of the Panel (and in the case of an Agreed Switch, and for so long as the Offer is subject to a unanimous and unqualified recommendation from the board of directors of Target, with the consent of Target),

and **"Condition"** shall be construed accordingly;

**"Confidentiality Agreement"** means the confidentiality agreement between Target and Bidco in relation to the Acquisition dated 3 May 2023;

**"Court"** means the High Court of Justice of England and Wales;

“**Court Hearing**” means the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof;

“**Court Meeting**” means the meeting of the Target Shareholders to be convened pursuant to an order of the Court under the Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof, notice of which is to be contained in the Scheme Document;

“**Court Sanction**” shall have the meaning set out in paragraph 3.2.1 of Schedule 2;

“**Effective**” means in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, means the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of an Offer, means the Offer having been declared or become unconditional in accordance with the requirements of the Code;

“**Effective Date**” means the date upon which the Acquisition becomes Effective;

“**FCA**” means the Financial Conduct Authority or its successor from time to time;

“**Foreign Investment Laws**” means all Laws, including any state, national or multi-jurisdictional Laws, that are designed or intended to screen, prohibit, restrict or regulate investments on cultural, public order or safety, privacy, on national or economic security grounds, including, for the avoidance of doubt, the NSI Act;

“**General Meeting**” means the general meeting of Target (including any adjournment, postponement or reconvention of it) to be convened for the purposes of considering, and if thought fit approving, the Target Resolutions, notice of which shall be contained in the Scheme Document;

“**GFSC**” means the Guernsey Financial Services Commission or its successor from time to time;

“**Joint Defence Agreement**” means the joint defence agreement between Target, Bidco and others in relation to the Acquisition dated 22 June 2023;

“**Law**” means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Relevant Authority, or any judicial or administrative interpretation thereof;

“**Lloyd’s**” means the Council of Lloyd’s;

“**London Stock Exchange**” means London Stock Exchange plc;

“**Long Stop Date**” means 17 April 2024 or such later date or time as Bidco and Target agree (with the Panel’s consent and as the Court may approve (if such approval(s) are required));

“**MFSA**” means the Malta Financial Services Authority or its successor from time to time;

“**NSI Act**” means the the UK National Security and Investment Act 2021, together with all associated secondary legislation and regulatory rules;

“**Offer**” means if (subject to the consent of the Panel and the terms of the Announcement) the Acquisition is effected by way of a takeover offer as defined in Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the issued and to be issued share capital of Target on the terms and subject to the conditions to be set out in the related Offer Document;

“**Offer Document**” means should the Acquisition be implemented by means of an Offer, the document to be sent to (amongst others) Target Shareholders containing, among other things, the full terms and conditions of such Offer;

“**Panel**” means the UK Panel on Takeovers and Mergers;

“**PRA**” means the Prudential Regulation Authority;

“**Proposals**” shall have the meaning set out in paragraph 3.1 of Schedule 2;

“**PSP**” means the Target Performance Share Plan 2018;

“**Regulatory Conditions**” means the conditions set out in paragraphs 3(a) to 3(t) of Appendix I to the Announcement;

“**Regulatory Information Service**” means a primary information provider which has been approved by the FCA to disseminate regulated information;

“**Relevant Authority**” means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and national security or foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction, including, for the avoidance of doubt, the Panel and FCA, PRA, Lloyd’s, BFSC, CBI, CIMA, GFSC, MFSA, the Relevant US State Regulators and the relevant Secretary of State in the United Kingdom;

“**Relevant US State Regulators**” means collectively, the Arizona Department of Insurance, the Florida Office of Insurance Regulation, the New York Department of Financial Services, the Ohio Department of Insurance, the Oklahoma Insurance Department, the Pennsylvania Insurance Department, the Texas Department of Insurance and the State of Vermont Department of Financial Regulation;

“**Remuneration Committee**” means the remuneration committee of the Target Board or a duly appointed committee thereof;

“**ReSI PSP Award**” means the Award granted under the PSP on 12 April 2023 which is to be settled in shares in Residential Secure Income plc;

“**Scheme**” means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Target and the Target Shareholders to implement the Acquisition, with or subject to any modification thereof or addition thereto or condition approved or imposed by the Court (where applicable) and agreed by Bidco and Target;

“**Scheme Conditions**” means the conditions referred to in paragraphs 2(a) to 2(c) of Appendix I to the Announcement;

“**Scheme Document**” means the document to be published and sent to (among others) Target Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme, containing the explanatory statement required by section 897 of the Companies Act and the notices convening the Court Meeting and the General Meeting;

“**Scheme Record Time**” means the time and date specified as such in the Acquisition Document or such later time as Bidco and Target may agree;

“**SE Individual Awards**” means the Awards granted under the PSP on 5 August 2022 with a vesting date for 50% of the Award falling on the date of a change of control of Target;

“**September 2021 PSP Awards**” means the Awards granted on 1 October 2021 under the PSP;

“**SE Team Awards**” means the Awards granted under the PSP on 5 August 2022 with a vesting date of the date on which the signed auditor’s report contained in Target’s consolidated audited accounts for the year ending 31 December 2025 has been received by Target (expected to be a date in March 2026);

“**Sharesave Plan**” means the Target Sharesave Plan;

“**Significant Interest**” means in relation to an undertaking, a direct or indirect interest in 20 per cent. or more of: (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the of the Companies Act) of such undertaking; or (ii) the relevant partnership interest;

“**Switch**” has the meaning given in clause 6.1;

“**Target Board**” means the board of directors of Target from time to time;

“**Target Board Adverse Recommendation Change**” means:

- (a) if Target makes an announcement prior to the publication of the Acquisition Document(s) that: (i) the Target Directors no longer intend to make the Target Board Recommendation or intend adversely to modify or qualify such recommendation; (ii) (other than where an Agreed Switch has occurred) it will not convene or hold the Court Meeting and/or the General Meeting; or (iii) (other than where an Agreed Switch has occurred) it intends not to publish and post the Scheme Document or (if different) the document convening the General Meeting;
- (b) if Target makes an announcement that it will delay the convening or holding of, or will adjourn, the Court Meeting, the General Meeting or the Court Hearing, in each case without the consent of Bidco, except where such delay or adjournment is solely caused by logistical or practical reasons beyond Target’s reasonable control;
- (c) the Target Board Recommendation is not included in the Acquisition Document(s);
- (d) the Target Directors withdraw, adversely modify or adversely qualify the Target Board Recommendation;



- (e) if the Target Directors announce the entry into by the Target Group of any transaction which would constitute: (i) a reverse takeover (as defined in the Code) of Target; or (ii) a substantial transaction for, or a reverse takeover of, Target (each as defined in the AIM Rules), in each case, except with the consent of Bidco; or
- (f) if, after the approval of the Target Resolutions, the Target Directors announce that they will not implement the Scheme (other than: (i) in connection with an announcement of an offer or revised offer by Bidco for Target, or (ii) because a Clearance has failed, or become impossible, to be satisfied);

**“Target Board Recommendation”** means a unanimous and unqualified recommendation from the Target Directors to Target Shareholders in respect of the Acquisition: (i) to vote in favour of the Scheme at the Court Meeting and in favour of the Target Resolutions at the General Meeting; or (ii) if Bidco elects to implement the Acquisition by means of an Offer in accordance with the terms of this Agreement, to accept the Offer;

**“Target Directors”** means the directors of Target from time to time;

**“Target EBT”** means the Target Employee Benefit Trust;

**“Target EBT Trustee”** means the trustee of the Target EBT in its capacity as trustee of the Target EBT;

**“Target Group”** means Target and its subsidiaries and subsidiary undertakings from time to time;

**“Target Resolutions”** means such shareholder resolutions of Target as are necessary to approve, implement and effect the Scheme and the Acquisition and changes to Target’s articles of association;

**“Target Shareholders”** means holders of Target Shares from time to time;

**“Target Share Plans”** means the BSM, the 2020 LTIP, the PSP and the Sharesave Plan;

**“Target Shares”** means the ordinary shares of £0.25 each in the capital of Target;

**“Wider Bidco Group”** means Bidco and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which Bidco and/or such undertakings (aggregating their interests) have a Significant Interest; and

**“Working Hours”** means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day.

1.2 In this Agreement, unless the context otherwise requires:

- (a) the expressions **“associated undertaking”**, **“subsidiary”** and **“subsidiary undertaking”** have the meanings given in the Companies Act;
- (b) the expressions **“acting in concert”** and **“concert parties”** shall be construed in accordance with the Code;
- (c) **“interest”** in shares or securities shall be construed in accordance with the Code;

- (d) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (e) references to a “**person**” include any individual, an individual’s executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (f) references to a recital, paragraph, clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
- (g) headings do not affect the interpretation of this Agreement, the singular shall include the plural and vice versa, and references to one gender shall include all genders;
- (h) references to time are to London time unless otherwise stated;
- (i) any reference to a “**day**” (including within the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight;
- (j) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
- (k) references to “**£**”, “**pounds sterling**”, “**pence**” and “**p**” are references to the lawful currency from time to time of the United Kingdom;
- (l) any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (m) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
- (n) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.

1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

## **2. Publication of the Announcement and the terms of the Acquisition**

2.1 The obligations of the Parties under this Agreement, other than this clause 2.1 and clauses 11 to 19 (inclusive) and 21 to 25 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 5:00 p.m. on the date of this Agreement or such later time and date as the Parties may agree (and, where required by the Code, the Panel may approve). This clause 2.1 and clauses 11 to 19 (inclusive) and 21 to 25 (inclusive) shall take effect on and from execution of this Agreement.

- 2.2 The terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be permitted by this Agreement or otherwise agreed by the Parties in writing (save in the case of an improvement to the terms of the Acquisition, which will be at the absolute discretion of Bidco) and, where required by the Code, approved by the Panel.
- 2.3 The terms of the Acquisition at the date of publication of the Acquisition Document shall be set out in the Acquisition Document. If Bidco elects to implement the Acquisition by way of an Offer in accordance with clause 6, the terms of the Acquisition shall be set out in the announcement of the Switch, in the Offer Document.

### **3. Regulatory clearances**

- 3.1 Bidco shall be responsible for satisfying all Clearances and Regulatory Conditions. Bidco shall (and will procure that the Wider Bidco Group shall) use all reasonable endeavours to secure the Clearances as soon as reasonably practicable following the date of this Agreement and, in any event, to enable the Effective Date to occur by the Long Stop Date. Bidco shall (and will procure that the Wider Bidco Group shall) propose such undertakings as it considers are reasonable and proportionate in the circumstances, and comply with all reasonable undertakings and reasonable orders (excluding any undertakings or orders in respect of divestments) as are required by a Relevant Authority, in order to obtain such Clearances.
- 3.2 Target and Bidco agree to use all reasonable endeavours promptly to obtain and provide all information reasonably requested by the other's counsel (where applicable, in accordance with the terms of the Joint Defence Agreement) in order to agree in which jurisdictions any filings to a Relevant Authority will be required under any Antitrust Laws or Foreign Investment Laws.
- 3.3 Without prejudice to the generality of clause 3.1 and except as required by Law or a Relevant Authority and where applicable, in accordance with the terms of the Joint Defence Agreement:
- (a) Bidco will submit (and will as necessary procure that each member of the Wider Bidco Group, respectively, submits) a filing, notification or submission (which for the purposes of the Relevant US State Regulators shall be an application for an order of disclaimer of control, and for CIMA shall be an application for a waiver of prior approval) (as required), in draft form where applicable, to each Relevant Authority for the purposes of satisfying the Regulatory Conditions as soon as is reasonably practicable after the signing of this Agreement and, subject to timely receipt of all necessary information from Target, within the earlier of (i) 25 Business Days of the date of this Agreement (in the case of the Clearances referred to in paragraphs 3(a) to 3(q) in Appendix I to the Announcement); and (ii) any applicable mandatory time period, in each case to obtain the Clearances prior to the Long Stop Date, and shall use all reasonable endeavours to ensure that such filings, notifications or submissions are, when submitted, complete in all material respects so as to minimise the likelihood of:
- (i) any declaration of incompleteness by any Relevant Authority; or
- (ii) any suspension of any review period by any Relevant Authority,
- and in the event that in the case of any Relevant US State Regulator and or CIMA not granting an order of disclaimer of control or waiver of prior approval, Bidco shall submit (and as necessary procure that each member of the Wider Bidco Group respectively, submits) a filing for an order approving the change of control, or deemed approval, to the

Relevant US State Regulator and/or CIMA as applicable as soon as reasonably practicable after being notified by the Relevant US State Regulator or CIMA as applicable that an order for disclaimer of control or waiver of prior approval is not being granted and the provisions of this Agreement (including, without limitation, this clause 3) shall apply *mutatis mutandis* in respect of such submission;

- (b) Target shall promptly provide such cooperation, information and documentation as is reasonably required by Bidco in connection with the preparation of all such filings, notifications or submissions (as required) to any Relevant Authority in connection with the Clearances (including at pre notification stage);
- (c) Bidco shall (and will procure that each member of the Wider Bidco Group shall) provide, or procure the provision of, draft copies of all filings, submissions, material correspondence and material communications (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications) intended to be sent or communicated to any Relevant Authority in relation to obtaining the respective Clearances (including at pre-notification stage) (together with such supporting documentation as Target may reasonably require in order to be able to review and comment on such drafts) to Target and its legal advisers in sufficient time as would allow Target a reasonable opportunity to provide any comments on such filings, submissions, correspondence and communications before they are to be sent or communicated to any Relevant Authority. Subject to receiving such drafts in sufficient time, Target will use its reasonable endeavours to provide comments on such filings, submissions, correspondence and communications within three Business Days and, in any event, before they are submitted, sent or made, and Bidco shall provide Target with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications);
- (d) Bidco shall (and will procure that each member of the Wider Bidco Group, respectively, shall) have regard in good faith to comments made in a timely manner by Target on draft copies of filings, submissions, material correspondence and material communications provided pursuant to clause 3.3(c) and shall use all reasonable endeavours to submit or send (and will procure that each member of the Wider Bidco Group shall submit or send), such filings, submissions, material correspondence and material communications to the Relevant Authority within five Business Days following receipt of such comments from Target (subject to being satisfied (acting reasonably) that it has received all such comments and/or information that may be required from Target to submit such filings, submissions, material correspondence and material communications) and, in any event, as soon as reasonably practicable following receipt of such comments and/or information provided that this shall not reduce the overall time by which Bidco must submit initial filings, notifications or submissions under clause 3.3(a);
- (e) Bidco shall (and will procure that each member of the Wider Bidco Group, respectively, shall) co-operate with each Relevant Authority and Target in any dealings with any Relevant Authority (including without prejudice to the generality of the foregoing, where reasonably required, jointly attending meetings and conference calls) and deal with all requests and enquiries from any such Relevant Authority in consultation with Target promptly and expeditiously with a view to satisfying the relevant Regulatory Condition as soon as is reasonably practicable;

- (f) Bidco shall (and will procure that each member of the Wider Bidco Group, respectively, shall) notify Target, and provide copies (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications), in a timely manner and in any event within two Business Days of receipt, of any material correspondence or material communication from any Relevant Authority in relation to obtaining any Clearance (including at pre notification stage);
- (g) Bidco shall (and will procure that each member of the Wider Bidco Group, respectively, shall) keep Target reasonably informed as to the progress of any notification submitted by it or by any member of the Wider Bidco Group in relation to the Clearances and shall reasonably consider requests by Target or its legal advisers:
  - (i) to attend all material meetings or material calls with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, law or other person or body) relating to obtaining any Clearance; and
  - (ii) to make reasonable oral submissions at such meetings or calls (provided that such oral submissions have been discussed in advance); and
  - (iii) where reasonably requested by Target, and insofar as permitted by the Relevant Authority, Bidco shall (and will procure that each member of the Wider Bidco Group, respectively, shall) make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearances (including at pre notification stage);
- (h) Bidco shall (and will procure that each member of the Wider Bidco Group, respectively, shall) keep Target informed promptly of developments which are material or potentially material to the obtaining of:
  - (i) a Clearance; and
  - (ii) the satisfaction of the Regulatory Conditions; and
- (i) Bidco undertakes not to (and will procure that no member of the Wider Bidco Group, respectively, shall) withdraw a filing, submission or notification made to any Relevant Authority pursuant to clause 3.3(a) without the prior consent of Target (such consent not to be unreasonably withheld or delayed).

3.4 Without prejudice to the terms of the Joint Defence Agreement, if a provision of this Agreement obliges the parties to disclose any information to the other:

- (a) that is personally identifiable information of any natural person, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymised basis);
- (b) which the disclosing party reasonably considers to be commercially or competitively sensitive;
- (c) which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; and/or

- (d) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall, save as may be prohibited by Law, disclose the relevant information to the other party: (i) as the disclosing party and the other party may otherwise agree; or (ii) only to the external legal counsel for the other party.

3.5 Each Party undertakes to inform the other Party as promptly as is reasonably practicable of the satisfaction of the Regulatory Conditions.

3.6 Except to the extent necessary to comply with Law, Bidco shall not (and shall procure that no member of the Wider Bidco Group shall) take, or omit to take, or cause to be taken, any action which may reasonably be expected to preclude or materially impede, materially prejudice or materially delay the satisfaction of the Regulatory Conditions, or prevent, impede, materially prejudice or materially delay completion of the Acquisition.

#### **4. Scheme Document**

4.1 Bidco agrees:

- (a) promptly to provide Target all such information about itself, its directors, its concert parties and the Wider Bidco Group as may reasonably be requested and which is required by Target (having regard to the Code and other Law) for inclusion in the Scheme Document (including any information required under the Code or other Law);
- (b) promptly to provide Target with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, Bidco's relevant professional advisers; and
- (c) to procure that the Bidco Directors accept responsibility, in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme relating to themselves (and their close relatives (as defined in the Code), related trusts and persons connected with them), the Wider Bidco Group, their concert parties, the financing of the Acquisition, information on Bidco's future plans for the Target Group, its management and employees, any statements of opinion, belief, intention or expectation of the Bidco Directors in relation to the Acquisition following the Effective Date and any other information in the Scheme Document for which an offeror is required to accept responsibility under the Code.

#### **5. Implementation of the Acquisition**

5.1 Where the Acquisition is being implemented by way of the Scheme:

- (a) Bidco undertakes that prior to the Court Hearing, it shall deliver a notice in writing to Target either:
  - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or

- (ii) confirming Bidco's intention to invoke one or more Conditions (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Bidco reasonably considers entitle it to invoke such Conditions and the reasons why Bidco considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Conditions;
  - (b) where Bidco confirms the satisfaction or waiver of all Conditions (other than the Scheme Condition) in accordance with clause 5.1(a)(i), Bidco agrees that Target shall be permitted to take the necessary steps to procure that the Court Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed between the parties and included in the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Acquisition); and
  - (c) where Bidco confirms the satisfaction or waiver of all Conditions (other than the Scheme Condition) in accordance with clause 5.1(a)(i), Bidco irrevocably agrees to undertake to the Court to be bound by the terms of the Scheme in so far as they relate to Bidco, that Target or its counsel may provide to the Court a copy of such undertaking to evidence such agreement and to provide such other documentation or other information and to do all such things as may reasonably be required by Target, its counsel or the Court, in relation to such agreement (including instructing Targets' counsel to so undertake on its behalf in relation to the Scheme and, if so required, to appear before the Court by counsel to so undertake).
- 5.2 If Bidco becomes aware of any fact, matter or circumstance that it reasonably considers would entitle Bidco to invoke (and the Panel would permit Bidco to so invoke) any of the Conditions or treat any of the Conditions as unsatisfied or incapable of satisfaction, Bidco shall (subject to Law) inform Target as soon as is reasonably practicable, providing reasonable details.

## 6. Switching to an Offer

- 6.1 The parties currently intend that the Acquisition will be implemented by way of the Scheme. However, Bidco shall be entitled, with the consent of the Panel (if required), to implement the Acquisition by way of an Offer rather than the Scheme (such election being a "**Switch**") only if:
- (a) Target provides its prior written consent (an "**Agreed Switch**"), in which case clause 6.2 shall apply; or
  - (b) a third party announces a firm intention to make an offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for all or part of the issued and to be issued share capital of Target; or
  - (c) a Target Board Adverse Recommendation Change occurs.
- 6.2 In the event of any Agreed Switch, unless otherwise agreed in writing between Bidco and Target or required by the Panel:
- (a) the Acceptance Condition shall be set at 90 per cent. of Target Shares to which the Offer relates (or such lesser percentage as may be agreed between the Parties in writing) after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent of the Target Shares;

- (b) Bidco shall not take any action which would cause the Offer not to proceed, to lapse or to be withdrawn in each case for non-fulfilment of the Acceptance Condition prior to midnight on the 60th day after publication of the Offer Document (or such later date as may be the last date for the Offer to become or be declared unconditional under Rule 31.3 of the Code), including, without limitation, by publishing an acceptance condition invocation notice under Rule 31.6 of the Code or specifying in the Offer Document an unconditional date which is earlier than the 60th day after publication of the Offer Document, and Bidco shall ensure that the Offer remains open for acceptances until such time;
- (c) Bidco shall not, without the prior written consent of Target, make (or otherwise be treated by the Panel as having made) any acceleration statement (as defined in the Code) unless:
  - (i) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver);
  - (ii) the acceleration statement (as defined in the Code) contains no right for Bidco to set the statement aside (except with the prior written consent of Target and/or in the circumstances envisaged by Note 2 or 3 to Rule 31.5 of the Code);
  - and (iii) Bidco undertakes to Target not to take any action or step otherwise to set the acceleration statement aside;
- (d) if at any time following the publication of the Offer Document it is reasonably expected that any outstanding Regulatory Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, Bidco shall, before the 30<sup>th</sup> day after the publication of the Offer Document (or such later day as Target may agree), consult with Target and the Panel as to whether the offer timetable should be suspended in accordance with Rule 31.4(a) or, if Day 39 has passed, Day 60 should be extended in accordance with Rule 31.3 of the Code (or, if applicable, further suspended or extended) and, if required by Target, shall request such suspension or extension to a date agreed with Target and the Panel, provided always that such extended date (as, if applicable, it may be further extended) shall be no later than the Long Stop Date;
- (e) Bidco shall ensure that the only conditions of the Offer shall be the Conditions of Appendix I to the Announcement (excluding the Scheme Conditions but including the Acceptance Condition) and any other modifications or amendments to such terms and conditions as may be required by the Panel or which are necessary as a result of the Agreed Switch) and that the Offer is made on terms that are no less favourable to Target Shareholders than those set out in the Announcement;
- (f) Bidco shall keep Target informed, on a confidential basis and no later than two Business Days following receipt of a written request from Target, of the number of holders of Target Shares that have validly accepted the Offer or withdrawn their acceptance of the Offer or incorrectly submitted their withdrawal or acceptance and the identity and the number of Target Shares held by such shareholders; and
- (g) the Parties agree that:
  - (i) all provisions of this Agreement shall continue to apply save as set out in this clause 6.2; and
  - (ii) all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*, save as set out in this clause 6.



6.3 In the event of an Agreed Switch, Bidco shall:

- (a) submit, or procure the submission of drafts and revised drafts of the Offer Document to Target for review and comment and shall take into account any reasonable comments from Target for the purposes of preparing revised drafts; and
- (b) obtain Target's approval for the contents of the information on the Target Group contained in the Offer Document for which Target or the Target Directors are taking responsibility before it is posted or published and afford Target sufficient time to consider such documents in order to give its approval (such approval not to be unreasonably withheld, delayed or conditioned), provided that, if Target does not approve the information in the Offer Document within 28 days from the date of the Agreed Switch, Bidco shall be entitled to publish the Offer Document.

## **7. Target dividends**

As set out in further detail in the Announcement, if on or after the date of the Announcement any dividend or other distribution or other return of capital is declared, paid or made or becomes payable in respect of Target Shares on or after the date of the Announcement and prior to the Effective Date, the cash consideration payable by Bidco pursuant to the Acquisition will be automatically reduced by an amount equal to the aggregate amount of such dividend, distribution, or other return of capital, in which case the relevant eligible Target Shareholders will be entitled to receive and retain any such dividend or distribution.

## **8. Target Share Plans**

The provisions of Schedule 2 shall apply in respect of the Target Share Plans.

## **9. Directors' and officers' insurance**

- 9.1 If and to the extent such obligations are permitted by Law, for six (6) years after the Effective Date, Bidco shall procure that the members of the Target Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date. Nothing in the foregoing shall require any member of the Target Group or Bidco to indemnify any director to the extent it is unlawful to do so.
- 9.2 Bidco acknowledges that Target may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Target Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six (6) years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equivalent to that provided under the Target Group's directors' and officers' liability insurance as at the date of this Agreement. If and to the extent that such insurance cover has not been purchased by Target prior to the Effective Date, Bidco shall procure that Target (or a member of the Target Group) purchases such insurance cover (if available on reasonable commercial terms) promptly following the Effective Date.
- 9.3 Each of the directors, officers and employees of the Target Group to which clauses 9.1 and 9.2 apply will have the right, under the Contracts (Rights of Third Parties) Act 1999, to enforce his or her rights against Bidco under clauses 9.1 and 9.2.

## 10. Termination

10.1 Subject to clauses 10.2 to 10.3 (inclusive), this Agreement shall terminate and all obligations of the parties under this Agreement shall cease, as follows:

- (a) if agreed in writing between the Parties;
- (b) if the Announcement is not released by 5:00 p.m. on the date of this Agreement (unless, prior to that time, the Parties have agreed another time and/or date in accordance with clause 2.1 in which case the later time and/or date shall apply for the purposes of this clause 10.1(b));
- (c) upon service of written notice by Bidco to Target, if:
  - (i) a third party announces a possible offer or firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Target, which is recommended by the Target Board or which the Target Board has publicly announced its intention to recommend; or
  - (ii) a Target Board Adverse Recommendation Change occurs;
- (d) upon service of written notice by Bidco to Target prior to the Long Stop Date stating that either:
  - (i) any Condition which has not been waived is (or has become) incapable of satisfaction by the Long Stop Date and, notwithstanding that Bidco has the right to waive such Condition, Bidco will not do so; or
  - (ii) any Condition which is incapable of waiver is incapable of satisfaction by the Long Stop Date,

in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) has been permitted by the Panel;

- (e) upon service of written notice by Bidco to Target or by Target to Bidco prior to the Long Stop Date, if:
  - (i) a Competing Proposal is recommended by the Target Board; or
  - (ii) a Competing Proposal completes, becomes effective or is declared or becomes unconditional in all respects; or
  - (iii) the Scheme is not approved at the Court Meeting and/or the Target Resolutions are not passed at the General Meeting; or
  - (iv) the Court refuses to sanction the Scheme;
- (f) if the Scheme is, with the permission of the Panel, withdrawn with the consent of Bidco or lapses in accordance with its terms prior to the Long Stop Date (other than where: (i) such lapse or withdrawal is as a result of the exercise of Bidco's right to effect a Switch; or (ii)

it is otherwise to be followed within five (5) Business Days by an announcement under Rule 2.7 of the Code made by Bidco or a person acting in concert with Bidco to implement the Acquisition by a different offer or scheme on substantially the same or improved terms); or

- (g) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Long Stop Date.

10.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

10.3 The following provisions shall survive termination of this Agreement: clauses 13 to 19 (inclusive), 21 to 25 (inclusive), this clause 10 and all related provisions of clause 1 (Definitions and interpretation).

## **11. Code**

11.1 Nothing in this Agreement shall in any way limit the Parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

11.2 The Parties agree that, if the Panel determines that any provision of this Agreement that requires Target to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code or Practice Statement 29, that provision shall have no effect and shall be disregarded.

11.3 Nothing in this Agreement shall oblige Target or the Target Directors to recommend an Offer or a Scheme proposed by Bidco or any member of the Wider Bidco Group.

11.4 Without prejudice to the representations and warranties given by the Parties pursuant to clause 12, nothing in this Agreement shall be taken to restrict the directors of any member of the Wider Bidco Group or the Target Group from complying with Law, orders of court or regulations, including the Code, the AIM Rules, and the rules and regulations of the Panel and the FCA.

## **12. Representations and warranties**

12.1 Each Party represents and warrants to the other Party on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its binding obligations in accordance with its terms; and
- (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
  - (i) result in any breach of any provision of its constitutional documents;
  - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or

- (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

12.2 No Party shall have any claim against any other Party pursuant to clause 12.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

### **13. Costs**

13.1 For the avoidance of any doubt, Bidco shall be responsible for paying the Panel's document charges in respect of the Acquisition.

13.2 Except as otherwise provided in this Agreement, each Party shall pay its own costs incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Acquisition.

### **14. Entire agreement**

14.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement and the Confidentiality Agreement together set out the entire agreement between the Parties relating to the Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Acquisition.

14.2 Each Party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement or the Confidentiality Agreement.

14.3 Except in the case of fraud or fraudulent misrepresentation, no Party shall have any right of action against any other Party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or the Confidentiality Agreement.

14.4 For the purposes of this clause, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.

14.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

### **15. Assignment**

Unless the Parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

### **16. Notices**

16.1 Any notice to be given by one Party to the other Party in connection with this Agreement shall be in writing in English and signed by or on behalf of the Party giving it. It shall be delivered by hand, e-mail, registered post or courier.

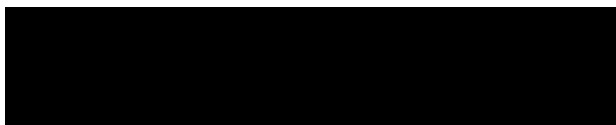
16.2 A notice shall be effective upon receipt and shall be deemed to have been received: (i) at the time of delivery, if delivered by hand, registered post or courier; or (ii) at the time of transmission if delivered by e-mail. Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

16.3 The addresses and e-mail addresses of the Parties for the purpose of clause 16.1 are:

**Bidco**

Address: Redwood House, St Julian's Avenue, St Peter Port, Guernsey  
GY1 1WA

Email:

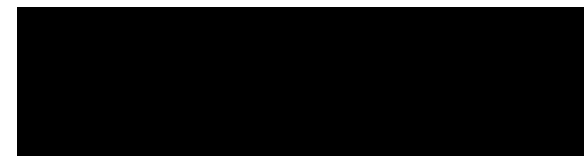


For the attention of: The Directors

*With a copy (which shall not constitute notice) to:*

Address: Willkie Farr & Gallagher (UK) LLP, Citypoint, 1 Ropemaker  
Street, London EC2Y 9AW

Email:

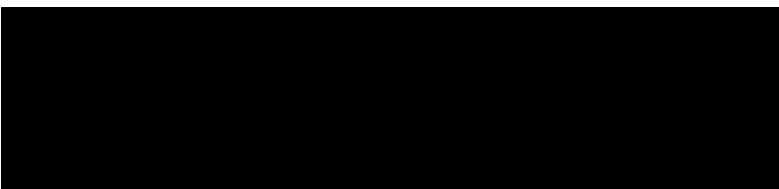


For the attention of:

**Target**

Address: 5 New Street Square, London EC4A 3TW

Email:

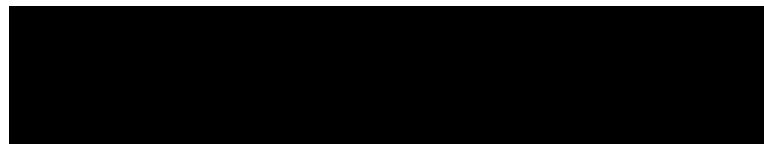


For the attention of:

*With a copy (which shall not constitute notice) to:*

Address: Eversheds Sutherland (International) LLP, One Wood Street,  
London EC2V 7WS

Email:



For the attention of:

16.4 Each Party shall notify the other Party in writing of any change to its details in clause 16.3 from time to time.

**17. Language**

Each language of communication under or in connection with this Agreement shall be in English.

**18. Waivers, rights and remedies**

18.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.

18.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by Law shall not preclude any further exercise of it.

18.3 Without prejudice to any other rights or remedies that the other Party may have, each Party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other Party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any Party and no proof of special damages shall be necessary for the enforcement by any Party of the rights under this Agreement.

**19. No partnership**

No provision of this Agreement creates a partnership between the Parties or makes a Party the agent of the other Party for any purpose. A Party has no authority or power to bind, to contract in the name of, or to create a liability for the other Party in any way or for any purpose.

**20. Further assurances**

At the cost of the requesting Party, each Party shall (and shall procure that members of its respective group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as the requesting Party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting Party.

**21. Counterparts**

This Agreement may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment shall be an effective mode of delivery.

**22. Variations**

22.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the Parties to it.

22.2 If this Agreement is varied:

- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
- (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and

- (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

### **23. Invalidity**

23.1 Each of the provisions of this Agreement is severable.

23.2 If and to the extent that any provision of this Agreement:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this clause 23.2.

### **24. Third party enforcement rights**

24.1 Each of the persons to whom clauses 9.1 and/or 9.2 applies may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clauses 9.1 and/or 9.2 (as applicable). This right is subject to: (i) the rights of the Parties to rescind or vary this Agreement without the consent of any other person; and (ii) the other terms and conditions of this Agreement.

24.2 Except as set out in clause 24.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

### **25. Governing law and jurisdiction**

25.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

25.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement, including disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For these purposes each Party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above.

**EXECUTED BY**

**[REDACTED]**

acting for and on behalf of  
**SEED BIDCO LIMITED**

)  
)  
)  
)  
)  
)  
)

[REDACTED]

**EXECUTED BY**

**[REDACTED]**

acting for and on behalf of  
**GRESHAM HOUSE PLC**

)  
)  
)  
)

[REDACTED]



## **Schedule 1**

### **Form of Announcement**

## Schedule 2

### Target Share Plans

#### 1. General

- 1.1 This Schedule will, subject to the Scheme becoming Effective in accordance with its terms, apply to the Target Share Plans.
- 1.2 In the event of a switch to an Offer in accordance with clause 6 of this Agreement, references to Court Sanction, the Effective Date and the Scheme Record Time in this Schedule will be read as if they referred to the date on which the Offer becomes or is declared wholly unconditional in all respects (subject to such amendments as may be required in order to ensure that this Schedule is carried into effect).
- 1.3 Target confirms that, as at 14 July 2023, up to a maximum of 4,242,172 Target Shares (the “**Target Awards Shares**”) are expected to be issued following the exercise and/or vesting of Awards in connection with the Scheme, being the expected number of Target Shares which could be issued on or after the date of the Announcement on the exercise and/or vesting of Awards granted or to be granted under the Target Share Plans assuming the Scheme becomes Effective prior to the Long Stop Date. For the purposes of determining the number of Target Awards Shares to be issued:
  - 1.3.1 the number of Target Shares held by the Target EBT Trustee as at 14 July 2023, amounting to 641,707 Target Shares and which are to be used in settlement of the Awards has been deducted;
  - 1.3.2 certain Awards which have been granted under the PSP and/or the BSM are expected to vest and/or be exercised after the Announcement and are intended to be settled in part in cash and in part in Target Shares with the cash amount funding any income tax and employee’s National Insurance contributions which arises on exercise/vesting of the Award. The number of Target Awards Shares therefore reflects the net number of Target Shares which it is intended will be issued by Target (rather than the gross number of Target Shares which are subject to the relevant Awards);
  - 1.3.3 for the purposes of calculating the number of Target Shares which are expected to be issued in connection with the 2020 LTIP Awards, a price per Target Share in connection with the Acquisition equal to £11.05 (the “**Offer Price**”) has been assumed;
  - 1.3.4 the Cash Settled Awards, the ReSI PSP Award and the September 2021 PSP Awards have been disregarded;
  - 1.3.5 the number of Target Awards Shares does not anticipate any additional Target Awards Shares being subject to Awards on account of dividends being declared by Target prior to the Long Stop Date but if dividends are so declared, the number of Target Awards Shares will increase where applicable, in line with the contractual terms of the relevant Awards; and
  - 1.3.6 the number of Target Shares which is subject to Awards granted under the Sharesave Plan (representing the gross number of Target Shares which are subject to Award and disregarding the exercise price which is payable to exercise such Awards) has been

determined based on data received by Target from its external plan administrators as at 12 July 2023.

- 1.4 The Scheme will apply to any Target Shares which are on the register of members of Target and which are acquired by participants in the Target Share Plans prior to the Scheme Record Time.

## 2. **Operation of Target Share Plans**

- 2.1 Bidco acknowledges that Target may (subject always to Rule 21.1 of the Code) continue to operate the Target Share Plans in the ordinary course of its business, in accordance with the applicable rules of the Target Share Plans and normal practice. This may include (but is not limited to) issuing invitations and granting new Awards in respect of any ordinary annual operation of the Target Share Plans; determining performance conditions for outstanding Awards due to vest (including how such performance conditions will be tested shortly before Court Sanction); determining the timing and extent to which Awards under the Target Share Plans will vest in the ordinary course; and determining the treatment of and settling Awards held by leavers in the ordinary course.
- 2.2 Bidco agrees that Target may amend the rules of the Target Share Plans (to the extent permitted by the Target Share Plans) if the Remuneration Committee are of the reasonable opinion that such amendments are necessary to implement the treatment of Awards as set out in this Schedule.
- 2.3 To the extent applicable, Bidco acknowledges and agrees that Target may fund the Target EBT Trustee to the extent required to facilitate the acquisition of or subscription for Target Shares by the Target EBT Trustee in connection with the satisfaction of the Awards described in paragraph 1.3 of this Schedule or any other Awards, and the Target EBT Trustee may undertake such acquisitions.
- 2.4 Bidco acknowledges and agrees that if for any reason Target Shares cannot be issued or transferred when Awards (other than the Sharesave Plan) vest or are exercised or, if the Remuneration Committee considers that it is inconvenient or costly to do so, such Awards may be settled by Target in cash in accordance with the rules of the Target Share Plans.
- 2.5 Bidco acknowledges that the Remuneration Committee has resolved that:
  - 2.5.1 Awards will be granted under the BSM on the day immediately following Announcement or as soon as practicable thereafter in an aggregate of 112,642 Target Shares, the grant of such Awards having been delayed as a consequence of the potential Acquisition;
  - 2.5.2 the Awards granted under the BSM on 5 March 2020 will vest in accordance with their terms in respect of 282,274 Target Shares on the day immediately following Announcement and unless these Awards are net settled, certain of these Target Shares may be sold to fund any income tax and employee's National Insurance contributions which is due;
  - 2.5.3 in the context of the potential Acquisition, as and when they are exercised, the Cash Settled Awards will be settled in cash rather than Target Shares;
  - 2.5.4 in the context of the potential Acquisition, to the extent that it vests and is exercised, the ReSI PSP Award will be settled with shares in Residential Secure Income plc which are held by Target or a member of the Target Group;

- 2.5.5 following the potential Acquisition, “Y” as defined in the applicable award certificates for the September 2021 PSP Awards shall be the Offer Price; and
- 2.5.6 in the context of the potential Acquisition, the extent to which the: (i) SE Team Awards; (ii) SE Individual Awards; (iii) Build to Rent Fund PSP Award; and (iv) 2020 LTIP Awards, will vest will be considered by the Remuneration Committee closer to the time of the Effective Date.

### 3. **Appropriate Proposals and communications to participants**

- 3.1 Bidco will make appropriate proposals (the “**Proposals**”) to participants in the Target Share Plans in accordance with Rule 15 of the Code. The parties intend that the Proposals will take the form of joint proposals from Bidco and Target, and Bidco and Target shall co-operate to write to participants in the Target Share Plans to communicate the Proposals and to inform them of the impact of the Scheme on their Awards and actions they may need to take. This Schedule sets out the Parties' agreement on the material aspects of the Proposals.
- 3.2 The parties agree the following in respect of Awards granted under the Target Share Plans:
  - 3.2.1 **PSP:** the holders of the Awards granted under the PSP (other than the SE Individual Awards, SE Team Awards and the September 2021 PSP Awards) will, in accordance with the rules of the PSP and their terms, to the extent that their Awards have not already vested at the time of sanction of the Scheme by the Court (“**Court Sanction**”), be able to exercise such Awards in full with effect from Court Sanction, and all Awards (other than the SE Individual Awards, SE Team Awards and the September 2021 PSP Awards) granted under the PSP will, to the extent not exercised, lapse six months after the date of Court Sanction in accordance with their terms. The holders of the Awards described in this paragraph 3.2.1 will be invited to exercise their Awards with effect from Court Sanction and to sell their resultant Target Shares pursuant to the Scheme.
  - 3.2.2 **2020 LTIP:** the holders of the 2020 LTIP Awards will, in accordance with the rules of the 2020 LTIP and their terms, be able to exercise such Awards (to the extent that the applicable performance conditions have been met) with effect from Court Sanction, and all 2020 LTIP Awards will, to the extent not exercised, lapse six months after the date of Court Sanction in accordance with their terms. The holders of the 2020 LTIP Awards described in this paragraph 3.2.2 will be invited to exercise their Awards with effect from Court Sanction and to sell their resultant Target Shares pursuant to the Scheme.
  - 3.2.3 **SE Individual Awards:** The SE Individual Awards will vest in accordance with their terms, subject to the extent to which the applicable performance targets are achieved as at the date of Court Sanction, in respect of : (i) 50% of the Target Shares which are subject to such Awards on Court Sanction and can be exercised to the extent that they vest during the 30 days after Court Sanction following which they will lapse (to the extent that they have vested); and (ii) will vest as to the balance of the Target Shares which are subject to such Awards 12 months following the date of Court Sanction and can be exercised during the 30 days thereafter following which the Awards will lapse. The holders of the Awards described in this paragraph 3.2.3 will be invited to exercise their Awards, to the extent that they have vested, with effect from Court Sanction but as their Awards will be settled in cash, they will not receive any Target Shares.

- 3.2.4 **SE Team Awards:** the holders of the SE Team Awards will, in accordance with the rules of the PSP and their terms, be able to exercise such Awards (to the extent determined by the Remuneration Committee) with effect from Court Sanction, and all SE Team Awards will, to the extent not exercised, lapse six months after the date of Court Sanction in accordance with their terms. The holders of the Awards described in this paragraph 3.2.4 will be invited to exercise their Awards, to the extent determined by the Remuneration Committee, with effect from Court Sanction but as their Awards will be settled in cash, they will not receive any Target Shares.
- 3.2.5 **September 2021 PSP Awards:** The September 2021 PSP Awards will not vest as a consequence of the Scheme becoming Effective but will subsist on their terms. It is expected that these Awards will be cash settled but this is subject to the prior approval of the holders of these Awards. The holders of the Awards described in this paragraph 3.2.5 will be informed of the Scheme but will be advised that the Scheme will have no impact on their Awards. To the extent that Target Shares are issued pursuant to the exercise of these Awards, the resultant Target Shares will be acquired by Bidco pursuant to the amendment to the Articles proposed to be approved by Target Shareholders at the General Meeting as further described in paragraph 5.1 of this Schedule 2 (“**Articles Amendment**”).
- 3.2.6 **BSM:** the Awards granted under the BSM will vest in full, in accordance with their terms, when the Scheme is Effective on the Effective Date. The holders of the Awards described in this paragraph 3.2.6 will be informed that their Awards will automatically vest with effect from when the Scheme is Effective and their resultant Target Shares will be acquired by Bidco pursuant to the Articles Amendment.
- 3.2.7 **Sharesave Plan:** The Awards granted under the Sharesave Plan which vested on 1 June 2023 will, unless they are exercised, subsist on their terms and may, subject to their terms, be exercised in full until their lapse date which falls six months after the vesting date. To the extent that Awards granted under the Sharesave Plan have not yet vested at the date of Court Sanction, they will vest and may, in accordance with the Sharesave Plan rules, be exercised to the extent that they vest, with effect from Court Sanction, following when any Awards granted under the Sharesave Plan (including those which have vested as at the date hereof) which are not exercised within 20 days of the Effective Date will lapse (save that this provision shall not extend the normal lapse date of any Award granted under the Sharesave Plan). The holders of the vested Awards described in this paragraph 3.2.7 will be invited to exercise their Awards with effect from Court Sanction and to sell their resultant Target Shares pursuant to the Scheme. The holders of the unvested Awards described in this paragraph 3.2.7 will be invited to: (a) exercise their Awards to the extent that they have vested, either: (i) with effect from Court Sanction and to sell their resultant Target Shares pursuant to the Scheme; or (ii) to exercise their Awards to the extent that they have vested at the latest possible time before they lapse and sell their resultant Target Shares pursuant to the Articles Amendment; and (b) to the extent they wish to do so, to transfer any Target Shares they acquire upon exercise of their Award to their spouse or registered civil partner, such Target Shares to be acquired by Bidco either under the Scheme or pursuant to the Articles Amendment.
- 3.3 Target agrees it will arrange the delivery to participants of the communications setting out the Proposals at the same time as, or as soon as reasonably practicable after, the posting of the Scheme Document (or such later time as the parties and the Panel may agree).
- 3.4 Bidco confirms that none of the Awards under the Target Share Plans will be exchanged for,

converted into or replaced by any options or awards issued or granted by Bidco in respect of the shares in Bidco.

#### **4. Settlement of Awards**

##### **4.1 Target confirms:**

4.1.1 as at the date of this Agreement, the Target EBT Trustee holds 641,707 unallocated Target Shares;

4.1.2 Awards which are exercised or settled in connection with or as result of the Scheme will be satisfied using newly issued Target Shares, save that to the extent the Target EBT holds any unallocated Target Shares at Court Sanction, such Target Shares will be used to settle Awards in priority to newly issued Target Shares;

4.1.3 to the extent that Awards granted under the Sharesave Plan are exercised, the exercise price which is due in respect of the exercise of these Awards will be paid to the Target EBT Trustee and such funds will be applied by way of partial repayment of any funds which are owed by the Target EBT Trustee to Target or any member of the Target Group.

4.2 The parties agree that payment of any Scheme proceeds to the participants of the Target Share Plans will be made through Target payroll, as soon as is practicable following payment of the proceeds by Bidco, to ensure the correct amount of income tax and employee's National Insurance contributions are withheld and accounted for to HM Revenue & Customs.

#### **5. General**

5.1 Target Shareholders' approval will be sought for an amendment to the articles of association of Target so that any Target Shares issued or transferred after the Scheme Record Time to participants of the Target Share Plans (allowing for, in the case of Target Shares resulting from the exercise of Awards granted under the Sharesave Plan, the transfer of such Target Shares to an Award holder's spouse or civil partner) will be automatically transferred to, or to the order of, Bidco, in exchange for the provision by Bidco of the Offer Price.

5.2 Bidco acknowledges that, following prior consultation with Bidco and having provided Bidco with reasonable time to review and comment on any draft submission, Target may make any submission to the Panel that is reasonably necessary to implement the arrangements contemplated by this Schedule, and both parties agree to co-operate promptly and in good faith in the making of any such submission.