

Placing Agreement

Dated 19 July 2018

- (1) Inland ZDP plc
- (2) Inland Homes plc
- (3) Panmure Gordon (UK) Limited

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Agreement

Dated 19 July 2018

Between:

- (1) **Inland ZDP plc**, a company incorporated in England and Wales with registered number 08303612, whose registered office is at Decimal Place, Chiltern Avenue, Amersham, Buckinghamshire, HP6 5FG (the "**Company**");
- (2) **Inland Homes plc**, a company incorporated in England and Wales with registered number 05482990, whose registered office is at Decimal Place, Chiltern Avenue, Amersham, Buckinghamshire, HP6 5FG (the "**Parent**"); and
- (3) **Panmure Gordon (UK) Limited**, a company incorporated in England and Wales with registered number 04915201, whose registered office is at One, New Change, London, EC4M 9AF ("**PG**").

Recitals:

- (A) The Company was incorporated in England and Wales on 22 November 2012.
- (B) The Company proposes to, *inter alia*, extend the life of the Shares by deferring their final redemption date from 10 April 2019 to 10 April 2024.
- (C) The Company has agreed with PG that PG will make, as principal, a conditional Tender Offer to acquire up to 100 per cent. of the Existing Shares at the Tender Price by way of a market purchase.
- (D) PG has, on the terms and subject to the conditions set out in this Agreement, agreed to use its reasonable endeavours to procure:
 - (i) purchasers to acquire those Existing Shares whose holders validly accept the Tender Offer to acquire them (the "**Tender Accepted Shares**") at the Tender Price; and
 - (ii) subscribers for up to a maximum of 2,488,800 new Shares (the "**Maximum**") to be issued pursuant to the Issue (defined below) at the Issue Price (this being the same as the Tender Price).
- (E) To the extent that Placing Commitments for Shares exceed the number of Tender Accepted Shares, the Company shall allot and issue new Shares in respect of the difference (but not exceeding the Maximum), subject to certain conditions being fulfilled as set out in this Agreement (the "**Issue**").
- (F) The Placing is not being underwritten.

Now it is agreed as follows:

1 Definitions

- 1.1 In this Agreement (including the Recitals and the Schedules), the following expressions shall have the respective meanings set out below:

"Accounts" the audited statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows (including the notes and the reports attached thereto) for the Company for the financial accounting period ended on the Accounts Date;

"Accounts Date" 30 June 2017;

"Act" the Companies Act 2006, as amended from time to time;

"Admission" an admission of new Shares to be issued pursuant to the Issue to the Official List by way of a standard listing under chapter 14 of the Listing Rules and to trading on the main market of the London Stock Exchange in accordance with the Admission and Disclosure Standards;

"Admission Announcement" the announcement in the agreed form in relation to the Admission;

"Admission Applications" the applications to be made by the Company to the Official List and to the London Stock Exchange in respect of the proposed Admission;

"Admission and Disclosure Standards" the Admission and Disclosure Standards of the London Stock Exchange from time to time;

"Affiliate" a person controlling, controlled by or under common control with that person;

"Articles" the articles of association of the Company from time to time;

"Associate" means in relation to a person (the **"first person"**) each of its subsidiaries, branches, if it is a limited partnership its partners, (including its general partner), Affiliates and each of their and the first person's respective officers, directors, supervisory board members and employees;

"Business Day" any day (other than a Saturday or a Sunday) on which clearing banks are open for a full range of banking transactions in London;

"Circular" the circular in the agreed form to be dated on 19 July 2018 and issued by the Company to its Shareholders relating to the Proposals;

"Claims" any and all actions, claims, proceedings (in each case, whether or not successful, compromised or settled), investigations or regulatory enquiries (in either case, whether or not settled) in any jurisdiction whether actual, pending or threatened and whether arising before or after signature of this Agreement;

"Class Meetings" the Ordinary Class Meeting and ZDP Class Meeting;

"Confirmation" has the meaning given to in Clause 10.1.3;

"CREST" means the computerised settlement system to facilitate the transfer of title to shares in uncertificated form operated by Euroclear;

"Directors" all the directors of the Company and/or the Parent (as the context may require) from time to time;

"Disclosure Guidance and Transparency Rules" the publication entitled "The Disclosure Guidance and Transparency Rules" produced by the UK Listing Authority forming part of the FCA Handbook;

"Documents" the Circular, the Presentation, the Proposals Announcement, the Admission Announcement (if applicable) and where such documents are updated after this Agreement, references shall be to the most recent, updated versions;

"Euroclear" Euroclear UK & Ireland Limited;

"Existing Share" a Share which is in issue as at the Tender Offer Record Date;

"FCA" the Financial Conduct Authority, or any successor thereof;

"Force Majeure" any circumstance not within the reasonable control of the affected party including, without limitation, acts or regulations of any governmental or supranational bodies or authorities, breakdown, failure or malfunction of any telecommunication or computer services, any strike, civil commotion, act of terrorism, riot, war, threat of war, political upheaval and any fire, explosion, storm, flood, earthquake or other natural physical disaster;

"FSMA" the Financial Services and Markets Act 2000 (as amended);

"General Meeting" the general meeting of Shareholders convened for 13 August 2018, commencing at 3.10 p.m., notice of which is set out in the Circular, or any adjournment thereof;

"Group" in relation to any entity, that entity and its Affiliates;

"Group Accounts" means the audited consolidated statement of financial position, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows (including the notes and the reports attached thereto) for the Parent's Group (and the Parent's individual statement of changes in equity) for the financial accounting period ended on the Accounts Date;

"Group Interim Accounts" the unaudited half-yearly accounts of the Parent's Group for the six months ended 31 December 2017;

"HMRC" HM Revenue & Customs;

"Indemnified Person" PG and any of its Associates;

"Interim Accounts" the unaudited half-yearly accounts of the Company for the six months ended on the Interim Accounts Date;

"Interim Accounts Date" 31 December 2017;

"Investment Company Act" the US Investment Company Act of 1940 (as amended);

"Issue" has the meaning given in the Recitals;

"Issue Price" 150.80 pence per Share;

"Legal Proceedings" has the meaning given to it by Clause 18;

"Listing Rules" the listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time;

"London Stock Exchange" London Stock Exchange plc;

"Longstop Date" 31 August 2018;

"Losses" all losses, claims, costs, damages, liabilities, charges and reasonable and properly incurred expenses (including reasonable fees/costs and reasonable expenses of legal counsel properly incurred in connection with the investigation of, preparation for, defence of, or participation as principal or witness in any inquiry, inspection or investigation or any pending or threatened litigation or proceedings);

"MAR" the Market Abuse Regulation (Regulation (EU) 596/2014), all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such Regulation;

"Meetings" the Ordinary Class Meeting, the ZDP Class Meeting and the General Meeting;

"Maximum" has the meaning given to in the Recitals;

"Money Laundering Regulations" the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 1993, the Proceeds of Crime Act 2002, the Anti-Terrorism Crime and Security Act 2001 (together with the provisions of the Money Laundering Source book of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms);

"Neville Registrars" Neville Registrars Limited;

"Ordinary Class Meeting" the class meeting of the holder(s) of ordinary shares in the capital of the Company convened for 13 August 2018, commencing at 3.05 p.m., notice of which is set out in the Circular, or any adjournment thereof;

"PG Engagement Letter" the engagement letter dated 6 July 2018 between PG and the Company;

"Party" a party to this Agreement;

"Placee" a person who agrees to acquire and/or subscribe for Shares pursuant to the Placing;

"Placing" the conditional placing of Shares by PG on the terms and subject to the conditions set out in this Agreement and the Proposals Announcement;

"Placing Allocation List" has the meaning given to it in Clause 3.5;

"Placing Commitments" the legally binding commitments to acquire or subscribe for Shares to be obtained by PG from Placees pursuant to the Placing;

"Placing T&Cs" the terms and conditions of the Placing as contained in the Proposals Announcement;

"Presentation" the presentation in the agreed form given by the Company in relation to the marketing of the Placing;

"Proposals" the proposals as set out in the Circular which include the continuation proposals to extend the life of the Shares, adoption of new Articles, amendments to certain documentation relating to loan notes issued by the Parent to the Company and contribution from the Parent to the Company, the notices of the Class Meetings and the General Meeting, the Tender Offer and information about the Placing;

"Proposals Announcement" the announcement in the agreed form giving details of the publication of the Circular, the Proposals and containing within it the Placing T&Cs;

"Prospectus Rules" the prospectus rules issued by the FCA exercising its function as the competent authority under Part VI of the FSMA;

"Regulation D" Regulation D under the Securities Act;

"Regulation S" Regulation S under the Securities Act;

"Regulations" the Uncertificated Securities Regulations 2001, as amended;

"Regulatory Information Service" a regulatory information service that is approved by the FCA as meeting the FCA's Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the FCA;

"Relevant Period" the period commencing on the date of this Agreement and ending on the Settlement Date;

"Restricted Shareholders" ZDP Shareholders who are resident in, or citizens of, one of the Restricted Territories;

"Restricted Territory" any of the following territories: Australia, Canada, Republic of South Africa, Japan or the United States or any other jurisdiction where the extension or acceptance of the Tender Offer would violate relevant laws and/or regulations of that jurisdiction;

"Securities Act" the US Securities Act of 1933 (as amended);

"Settlement Date" 16 August 2018 or such later date as may be agreed between the Company, the Parent and PG, not being later than the Longstop Date;

"Shares" redeemable zero dividend preference shares of 10 pence each in the capital of the Company;

"Shareholder" a holder of share(s) in the Company;

"Tender Accepted Shares" has the meaning given to in the Recitals;

"Tender Offer" the offer by PG to ZDP Shareholders (other than Restricted Shareholders) to tender up to 100 per cent. of their Existing Shares at the Tender Price on the terms and subject to the Tender Offer Terms and Conditions;

"Tender Offer Terms and Conditions" the terms and conditions of the Tender Offer set out in the Circular and associated tender form;

"Tender Price" 150.8 pence per Share;

"Tender Offer Record Date" the record time and date for ZDP Shareholders' entitlements under the Tender Offer, being close of business on 18 July 2018;

"UK Listing Authority" the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA, including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated;

"United States" or **"US"** the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"US Person" a "U.S. person" as defined in Regulation S;

"VAT" means value added tax pursuant to the Value Added Tax Act 1994 and any legislation promulgated thereunder and any other similar tax on sales, value or turnover which is enacted in addition to or in substitution for it in the United Kingdom or is imposed in any other jurisdiction;

"Verification Notes" the verification notes in the agreed form and incorporating the answers thereto in relation to information and statements contained in the Circular and in the Presentation;

"Warranties" the warranties contained or referred to in Clause 8, Schedule 1 and Schedule 2;

"Working Capital Memorandum" the working capital memorandum in the agreed form in respect of the Parent prepared by the Directors of the Parent including any updates and supplements thereto;

"ZDP Class Meeting" the class meeting of the holders of the Shares convened for 13 August 2018, commencing at 3.00 p.m., notice of which is set out in the Circular, or any adjournment thereof; and

"ZDP Shareholder" a holder of Shares.

- 1.2 In this Agreement, references to Recitals, Clauses and Schedules are to recitals and clauses of, and schedules to, this Agreement.
- 1.3 In this Agreement, references to any gender shall include the other genders where applicable.
- 1.4 In this Agreement, headings are included for convenience only and shall be disregarded in its interpretation.
- 1.5 In this Agreement, a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

- 1.6 In this Agreement, the expressions "**company**", "**holding company**" and "**subsidiary**" shall have the same meanings as in the Act.
- 1.7 In this Agreement, references to times of day are to London time.
- 1.8 In this Agreement, any reference to a document being "**in the agreed form**" means in the form of the draft or proof signed for the purpose of identification, or identified as agreed by exchange of electronic communications, on or prior to the date of this Agreement by or on behalf of the Company, the Parent and PG with such alterations (if any) as may subsequently be agreed between them. Schedule 5 contains a list of the documents in the agreed form.
- 1.9 Except where the context otherwise requires, "**material**" and "**materially**" mean material in the context of the Placing or Tender Offer as determined by PG acting *bona fide*.
- 1.10 Where any Warranty is expressed to be qualified by reference to the awareness and/or knowledge and/or information and/or belief of the Company or the Parent (as the case may be), such Warranty shall be deemed to have been given after the making by the Company or the Parent (as the case may be) of due and careful enquiry of their respective Directors and those of their managers and senior employees who may reasonably be regarded as having knowledge of the facts, matters or circumstances to which the Warranty relates.
- 1.11 Any provision of this Agreement which is expressed to bind more than one person shall bind them severally, and not jointly or jointly and severally, unless it is expressly provided otherwise.
- 1.12 Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2 Conditions

- 2.1 Subject to Clause 2.3, completion of the Placing and the obligations of PG under this Agreement are conditional upon:
- 2.1.1 the passing of each of the resolutions as set out in the notices of ZDP Class Meeting, Ordinary Class Meeting and General Meeting by no later than the Longstop Date;
 - 2.1.2 the Tender Offer not having been terminated in accordance with the Tender Offer Terms and Conditions;
 - 2.1.3 the entering into of: (i) a deed of amendment and restatement between the Parent and the Company which amends and restates the contribution agreement entered into between the Parent and the Company dated 20 December 2012; and (ii) a master deed of amendment and restatement between the Parent, the Company and the relevant chargors which amends and restates the conditions contained in the loan notes issued by the Parent to the Company;

- 2.1.4 each of the Company and the Parent complying with its respective obligations under this Agreement to the extent that the same fall to be performed prior to the Settlement Date (including, without limitation, delivery of the documents referred to and in accordance with Clause 5);
- 2.1.5 the Company delivering a duly signed certificate to PG not later than 6.00 p.m. on the Business Day prior to the Settlement Date in the form attached as Schedule 3;
- 2.1.6 the Parent delivering a duly signed certificate to PG 6.00 p.m. on the Business Day prior to the Settlement Date in the form attached as Schedule 4;
- 2.1.7 the publication of the Proposals Announcement in respect of the Proposals and Placing through a Regulatory Information Service on 19 July 2018 or such other date as is agreed between the Company, the Parent and PG and in any event by not later than the Business Day prior to the date of publication of the Circular;

provided that each of the parties to this Agreement shall perform its obligations hereunder until such time (if any) as any of such conditions shall have become incapable of being satisfied.

- 2.2 The Company shall use reasonable endeavours to ensure that the conditions set out in Clause 2.1 (other than Clauses 2.1.3 and 2.1.4, insofar as it relates to the Parent, and Clause 2.1.6) are satisfied by the times and/or dates stated therein and that all other conditions set out in Clause 2.1 are satisfied on or before the Settlement Date. The Parent shall use reasonable endeavours to ensure that the conditions set out in Clauses 2.1.3 and 2.1.4 (insofar as it relates to the Parent) and Clause 2.1.6 are satisfied by the time and/or date stated therein.
- 2.3 Any condition set out in Clause 2.1 (other than the conditions set out in Clauses 2.1.2, 2.1.2, 2.1.3 and 2.1.7) may be waived by PG in writing, in whole or in part, and/or the time and/or date for satisfaction of any condition may be extended to a date no later than the Longstop Date. In the event that the Company or the Parent requests any such waiver or extension, PG shall consult with the Company or the Parent in relation to such request but shall not be under any obligation to agree to any such extension or waiver.
- 2.4 If the conditions set out in Clause 2.1 are not fulfilled (or waived in whole or in part pursuant to Clause 2.3) by the Longstop Date, this Agreement (other than Clauses 1, 9, 10, 11, 14 and 16 to 22) shall have no further effect and, in such event, except in relation to any prior breaches, no party shall have any claim against any other party.

3 The Placing

- 3.1 The Company confirms the appointment of PG as its agent for the purposes of the Placing (insofar as it relates to any issue of new ZDP Shares), subject to the terms and conditions of this Agreement (including without limitation the conditions set out in Clause 2.1) and PG accepts such appointment upon and subject to the terms of this Agreement and the Placing T&Cs and agrees to use its reasonable endeavours to procure:

- 3.1.1 purchasers to acquire from PG which shall sell such Shares as principal, Tender Accepted Shares at the Tender Price; and
 - 3.1.2 subscribers for up to a maximum of 2,488,800 new Shares to be issued pursuant to the Issue at the Issue Price (this being the same as the Tender Price).
- 3.2 The Placing is not being underwritten and PG shall not be obliged to:
 - 3.2.1 subscribe itself (as principal) for any Shares to be issued pursuant to the Placing (i) for which it is unable to procure Placees or (ii) in relation to which Placees do not pay the Issue Price; or
 - 3.2.2 acquire any Tender Accepted Shares (i) the number of which exceeds the Placing Commitments for Shares or (ii) in relation to which PG does not receive payment from Placees of an amount equal to the Tender Price in cleared funds;

and where Clause 3.2.2 applies, the number of Tender Accepted Shares shall be scaled back on a *pro rata* basis in order that the number of Tender Accepted Shares equates to the number of Shares for which Placing Commitments are actually obtained.
- 3.3 The Company hereby irrevocably confirms that the foregoing appointment confers on PG all powers, authorities and discretions on behalf of the Company which are necessary for, or reasonably incidental to, the carrying out of the Placing by PG as agent for the Company including, without limitation, the power to appoint sub-agents or to delegate the exercise of any of their powers, authorities or discretions to third parties and hereby agrees to ratify and confirm all actions which PG or any such sub-agent or delegate lawfully takes in the good faith exercise of such appointment, powers, authorities or discretions provided that PG shall remain responsible for the acts and omissions of any such sub-agent(s) or delegate(s).
- 3.4 The Company shall give such reasonable assistance and provide all such information as PG may reasonably require for the making and implementation of the Placing and the Tender Offer and will do (or procure to be done) all such things and execute (or procure to be executed) all such documents as may be necessary or desirable in the reasonable opinion of PG to be given, provided, done or executed by the Company or by its officers, employees or agents in connection therewith.
- 3.5 Upon the final results of the Tender Offer having been determined:
 - 3.5.1 the number of Tender Accepted Shares (as adjusted pursuant to Clause 3.2.2, if applicable) shall be transferred to PG as principal and the Company shall procure that Neville Registrars credits the CREST account of PG (and lodge the relevant transfer documentation, as applicable) in order to effect the registration of PG as the holder of the Tender Accepted Shares (as adjusted pursuant to Clause 3.2.2, if applicable); and
 - 3.5.2 if Placing Commitments for Shares exceed the number of Tender Accepted Shares, following consultation with the Company and its advisers, PG shall determine at its sole discretion the allocation of Shares pursuant to the

Placing and the basis of the transfer and/or allotment of such Shares and shall prepare and deliver to the Company a list showing the purchasers and/or subscribers under the Placing and the numbers of Shares to be transferred and/or allotted to such purchasers and/or subscribers (the "**Placing Allocation List**"), but subject to the provisions of Clause 3.6 below.

3.6 To the extent that Placing Commitments for Shares exceed the number of Tender Accepted Shares, the Company shall allot and issue new Shares in respect of the difference (but not exceeding the Maximum) under the Issue, subject to the conditions set out in Clause 2.1 being fulfilled (or waived in respect of those which are capable of being waived) **and** subject to the following conditions also being fulfilled:

3.6.1 Admission occurring not later than 8.00 a.m. on the Settlement Date;

3.6.2 the Company allotting, subject only to Admission, the new Shares to be issued pursuant to the Issue in accordance with Clause 6;

3.6.3 each condition to enable the new Shares to be issued pursuant to the Issue to be admitted as a participating security (as defined in the Regulations) in CREST (other than Admission) being satisfied on or before 8.00 a.m. on the date of Admission as may be agreed by PG and the Company; and

3.6.4 all necessary permits, authorisations and consents to the Issue having been received on or before Admission.

If the conditions set out in Clause 3.6 are not fulfilled (but the other conditions as set out in Clause 2.1 are otherwise fulfilled (or waived in respect of those which are capable of being waived)), the Placing Commitments for Shares shall be scaled back in such manner as determined by PG at its discretion, in order that the total number of Shares allocated to Places pursuant to the Placing shall equate to the total number of Tender Accepted Shares only.

4 Applications for Admission

4.1 The provisions of this Clause apply only insofar as and to the extent that the Placing relates to the issue of new ZDP Shares under the Issue.

4.2 The Company agrees that PG shall make the Admission Applications on the Company's behalf.

4.3 The Company will use reasonable endeavours to obtain Admission on or before the Settlement Date and will, at its own expense, supply or procure to be supplied all such information, give all such undertakings, execute all such documents and do or procure to be done all such things as may be required by the London Stock Exchange in connection with the Admission Applications. The Parent will provide reasonable assistance in connection with the Admission Applications.

4.4 The Company shall supply all such information, supply such documents, pay such fees, give such undertakings and do all such acts and things (with the reasonable

assistance of PG) as may be required in connection with the admission of any new Shares to be issued under the Issue as participating securities within CREST.

- 4.5 PG shall provide to the Company all such assistance as the Company shall reasonably request in relation to the obtaining of Admission.

5 Delivery of Documents

- 5.1 The Company shall procure to be delivered to PG as soon as reasonably practicable and, in any event, not later than 5.00 p.m. on the date of this Agreement (to the extent that the PG has not already received the same):

5.1.1 a copy of the Proposals Announcement in respect of the Placing signed for the purpose of identification by a Director of the Company or other person duly authorised to do so as stated in the minutes referred to in Clause 5.1.3 below;

5.1.2 a copy of the Circular; and

5.1.3 a certified copy of the resolutions of the Directors of the Company and of the Parent (or a duly authorised committee thereof) in the agreed form approving, *inter alia*, the Proposals, the publication of the Circular, the convening of the Class Meetings and the General Meeting, the execution by the Company of this Agreement and the issue of the Proposals Announcement.

- 5.2 The Company shall procure to be delivered to PG as soon as reasonably practicable and, in any event, not later than 8.00 a.m. on the Settlement Date (to the extent that PG has not already received the same):

5.2.1 (only insofar as the Placing relates to the issue of new ZDP Shares under the Issue) a certified copy of the resolutions of the Directors of the Company (or a duly authorised committee thereof) in the agreed form approving, *inter alia*, the signing of the requisite Admission Applications on behalf of the Company and documentation supporting such applications;

5.2.2 certified copies of the certificate of incorporation and memorandum of the Company and the Articles;

5.2.3 a copy of the Presentation;

5.2.4 a copy of the Verification Notes signed by the signatories thereto;

5.2.5 (only insofar as the Placing relates to the issue of new ZDP Shares under the Issue) an original of the Admission Applications signed by a duly authorised officer of the Company; and

5.2.6 a certified copy of the Working Capital Memorandum.

- 5.3 The Company shall procure to be delivered to PG as soon as reasonably practicable and in any event by not later than 6.00 p.m. on the Business Day prior to the Settlement Date: