



Sole Letting Rights Agreement

Client: PIL Verulam Gardens Limited
Property: 70 Gray's Inn Road, London, WC1X 8BT ('property')

Date: 27/09/18
Ref: RM/01

General

These terms of business will form the basis on which Knight Frank LLP act for you with sole letting rights for the disposal of the property. They also give certain information required by the Estate Agents Act 1979 and its regulations.

1. The Client

By instructing us to act, you become our client and confirm that you have the authority to instruct Knight Frank LLP to act in the disposal and pay our professional fees.

2. Sole Letting Rights

You will be liable to pay commission to us, in addition to any other costs or charges agreed, in each of the following circumstances:

- (a) If a contract for the letting of the property is exchanged or a lease is completed in the period during which we have sole letting rights, even if the tenant was not found by us but by another agent or by any other person, including yourself.
- (b) If a contract for the letting of the property is exchanged or a lease is completed within 3 months after the expiry of the period during which we have sole letting rights but to a tenant who was introduced to you during that period or with whom we had negotiations about the property during that period.

3. Professional Fees

Our fee will be structured as a base fee of 8% of one year's rental payable for the property plus a bonus fee of 2% of one year's rent if the property is let within 6 months of ~~vacant possession following the exit of BWT.~~ *this appointment*

Or

In the event of a staggered rent our fee will be on the same structure but based upon the average annual rental payable for the property over the first 5 years of the lease.

All fees are calculated based on the annual rent excluding incentives i.e. rent free.

'Letting' includes a licence to occupy, 'rental' includes licence fees, and 'tenant' includes a licensee.

In calculating our fees any rent free periods or other incentives will be ignored.

The commission fee and any unpaid costs are due on exchange of contracts and payable on completion. In the event of a pre-let 50% of our fee is payable on exchange of contracts and 50% on practical completion of the building, lease completion or occupation whichever is the earlier.

4. Payment

If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 4% above the then prevailing bank base rate of National Westminster Bank PLC or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if

applicable). If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

5. Marketing Expenses and Disbursements

Prior to our incurring marketing expenses and disbursements you will be sent a letter and/or a marketing schedule for agreement. This will set out the costs which you will be charged, even if the property does not let and will be sent to you for your agreement. Where we give an estimated figure you will be charged the same amount as the cost.

Disbursements will include copy plans, photocopying, messenger delivery and the like.

All marketing expenses and disbursements are due from you (as and when they are incurred by us) and payable on submission of invoice.

6. Energy Performance of Buildings Regulations (England and Wales)

It is your obligation to commission an Energy Performance Certificate (EPC) before marketing can commence. The Regulations require that all 'reasonable efforts' are made to obtain an EPC within seven days of the start of marketing, and with an absolute duty to provide them within 21 days thereafter, so that they may be provided to purchasers or tenants at the earliest opportunity.

The Energy Performance Indicator (the Rating) must form part of both written and electronic particulars. Where you do not commission an EPC you authorise us to obtain one for you, should we consider this to be appropriate, to enable us to issue particulars. In that event the cost of the EPC will be payable by you in addition to our fee and any other marketing expenses. An estimate of this cost will be made to you as soon as practicable.

We can provide you with any advice or support in obtaining Energy Performance Certificates on request.

7. VAT

VAT is payable on all accounts, at the rate prevailing at the date of our invoice(s). Our VAT registration number is 238 5156 53.

8. Marketing – accuracy of statements

In marketing the property, we are legally obliged to ensure that all information provided is accurate, not misleading and does not omit material information. We will ask you to verify any aspect of the property about which we cannot be certain. You must tell us if you are aware of any matter which may be material to an interested party. You must also tell us if you become aware of any inaccuracy in our particulars, advertising copy, press releases or any other information we produce about the property. You must also instruct your solicitors to answer any points we raise with them about the property or its legal title.

9. Discounts and Advertising Commissions

We use the services of a marketing agency (KF&R Ltd) to prepare promotional material and place national advertising. KF&R Ltd keeps the benefit of any discounts or commissions, makes a handling charge and charges to us the full costs. In the case of local advertising we make a handling charge for the design, preparation and placing of the promotional material. However, these costs and charges are all included within the costs quoted in the marketing schedule or letter sent to you which are the actual amounts which you will have to pay.

10. Offer of other Services to Tenants

We may offer the following services to prospective tenants and similarly the services may be offered to them by another organisation in circumstances where we may benefit financially:

Financial services, property letting and management services, building construction, refurbishment and maintenance services and the disposal of the prospective tenants property. We will notify you if we do agree to provide such services.

11. Conflicts of Interest

11.1 In accordance with the Rules of Conduct of the Royal Institution of Chartered Surveyors, we have procedures to identify situations where a specific conflict of interest may arise. However, we cannot be certain that our procedures will identify all such situations. If you are, or become, aware of any potential conflict affecting the provision of our services, you will notify us immediately.

11.2 Where we identify an actual or potential conflict, we will notify you as soon as practicable (subject only to any obligations we may owe to third parties), explain the safeguards to be introduced and obtain your consent to their implementation. If we and/or you consider that your position cannot be protected, we may decline to act and/or the relevant services may be immediately terminated by either of us.

12. Unoccupied Premises

We accept no liability for the management or repair, or any damage to your property.

13. Termination

Either of us may terminate our instructions at any time by giving 28 days notice in writing. If that happens, all unpaid expenses which we have incurred for you must be paid by you immediately. This will include any costs which we would otherwise have carried until a disposal took place and we will remain entitled to any fees earned arising out of Paragraphs 2, 3 or 15. The provisions of clauses 15-23 will remain fully in force even though this agreement has been terminated. If you instruct another agent during or after the period of our sole letting rights this may result in a dual fee liability.

14. Complaints Procedure

A copy of our complaints procedure is available on request.

15. Scope of Services and Liability

15.1 You are appointing us only as your letting agents. The scope and standard of our responsibility is limited accordingly.

15.2 At our discretion and on a goodwill basis, we may answer requests from you or your lawyers for further assistance, such as comments on rent review or other provisions in leases or other transaction documents. You agree that, if we do so, these terms of business will apply but:

- (a) except under a separate written engagement agreement for us to provide relevant professional services on a reliance basis, you

and your lawyers cannot rely upon us or our replies and we will have no responsibility or liability in respect of such matters; and

- (b) we cannot prepare leases or similar documents or provide legal advice or assistance in connection with the application of the law or other technical or separately regulated services; you must in all cases take and rely upon independent legal or other appropriate advice.

15.3 So far as the law allows our total liability to you for any direct loss or damage caused by our negligence or breach of contract (except deliberate breach) is limited to the higher of £1 million or ten times Knight Frank LLP's fee under this agreement. We do not accept liability for any indirect or consequential loss (such as loss of profits). This limitation does not apply in respect of fraud or death or personal injury caused by our negligence or breach of contract

15.4 You agree not to bring any claim arising out of or in connection with this agreement against any member, employee, 'partner' or consultant of Knight Frank LLP (each called a 'Knight Frank Person'). Those individuals will not have a personal duty of care to you and any such claim for losses must be brought against Knight Frank LLP. Any Knight Frank Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999 but these terms may be varied at any time without the need for any Knight Frank Person to consent.

16. General

Knight Frank LLP is a Limited Liability Partnership with registered number OC305934. This is a corporate body which has 'members' and not 'partners'.

Our registered office is at 55 Baker Street, London W1U 8AN where a list of members may be inspected.

Any representative of Knight Frank LLP described as 'Partner' is either a member or an employee of Knight Frank LLP and is not a partner in a Partnership. The term 'partner' has been retained because it is an accepted way of referring to senior professionals.

We are regulated by the Royal Institution of Chartered Surveyors in the UK. The details of our professional indemnity insurance specified in the Provision of Services Regulations 2009 will be provided to you on request by Natalie Jordan, Partner Secretariat & Pensions.

We are supporters of the Leasing Code as applied to new leases.

17. Financial Crime

17.1 We are obliged by law to accept and conduct instructions in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and Proceeds of Crime Act 2002. These require us, in certain circumstances, to establish the identity and address of clients, and the source of any funds received, and to renew client due diligence on a regular basis. You agree to provide to us any information or documentation which we reasonably request in this regard. For the avoidance of doubt, searches may also be conducted on directors and "beneficial owners" as is required by the legislation. Where required, we will be unable to act for you until we have completed the necessary client due diligence. In the event that any key information that would alter our records changes during the course of this instruction, such as a change in any beneficial owners, you agree that you will inform us as soon as practicable. This information will not be disclosed to any other person, except for those authorised to regulate or conduct enquiries under the Money Laundering Regulations 2007 or where otherwise required by applicable law or regulation.

17.2 We shall have and shall maintain in place such policies and procedures as are reasonable to prevent the facilitation of tax evasion by another person and as such shall not knowingly engage in any activity, practice or conduct which would constitute either (i) a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act 2017; or (ii) a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017.

18 Anti-bribery, Corruption & Modern Slavery

18.1 We agree that throughout the term of our appointment we shall:

- (a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010, (the "Relevant Requirements");
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- (c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and
- (d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

18.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Anti-slavery Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015

19 Documents

Although certain documents may legally belong to yourselves, we intend to destroy correspondence and other papers which are more than six years old, except for documents which we consider to be of continuing significance. If you want us to retain any particular documents you must instruct us accordingly.

20 Rights of Third Parties

Except as set out in clause 15 none of the terms of this agreement are enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party.

21 Publicity

You agree that we may at any time including after this agreement ends publish promotional material (including photographs) about the disposal of the property. We will not disclose any confidential information.

22 Law

29.1 These terms are subject to the laws of England and Wales and the exclusive jurisdiction of the courts of England and Wales.

29.2 If a court rules that any provision of these terms is invalid or unenforceable this will not affect the rest of the terms which will remain in force.

30 Data Protection

30.1 For the purposes of this clause "Data Protection Legislation" means: (i) unless and until the General Data Protection Regulation ((EU) 2016/679) ("GDPR") is no longer directly applicable in the UK, the GDPR and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998. The

terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

30.2 You and we shall comply with applicable requirements of the Data Protection Legislation.

30.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

30.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. Some of these recipients may be located outside of the European Economic Area. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.

30.5 Full details of how we use Personal Data can be found in our Privacy Statement at <http://www.knightfrank.com/legals/privacy-statement>.

Read and Agreed;

Client Name

Position and Contact Name

Signature

Dated

Knight Frank LLP

Partner Name

Signature

Dated