

Executive Summary of Heads of Terms

This document describes the principal terms of the joint venture (the “**JV**”) between TTL Properties Limited (“**TTLP**”) and the preferred applicant. Please note that this document is a headline summary of the principal terms only and you should refer to the long form legal agreements for the detailed terms of the JV. For full definitions of the capitalised terms used in this document (which are not otherwise defined in this document), please refer to the JV Agreement.

JOINT VENTURE STRUCTURE AND OBJECTIVE	
JV Participants	<p>The participants in the JV will be a TTLP subsidiary vehicle (“TfL Partner”) and the selected applicant’s vehicle (“JV Partner” and, together with the TfL Partner, the “JV Participants”). The anticipated initial ownership interests in the JV will be that TfL Partner will hold a [49]% ownership interest and the JV Partner will hold a [51]% ownership interest in the JV.</p> <p>Guarantees will be provided from the JV Participants' parent companies, to guarantee the JV Participants' equity contributions to the JV. The JV Partner's parent company will also guarantee the JV Partner's share of liability to TfL under the Works Agreement.</p>
JV Objective	<p>The objective of the JV is to acquire, develop, manage and hold the Southwark OSD, Bank OSD and Paddington Triangle OSD properties (the “Properties” and each a “Property”) for investment purposes with a view to optimising income and capital returns for the JV Participants (the “Project”). The JV is formed with the intention that further properties will be added in the future, subject to the approval of the JV Participants.</p>
Property Acquisition	<p>The JV will acquire the Properties on an unconditional basis at the agreed individual completion dates for an agreed land price (without overage). The acquisitions are expected to take the form of assignments to the relevant Propcos of existing long leases held by TTLP.</p> <p>The acquisition of future sites may be subject to conditions agreed between the parties on a site-by-site basis including a planning condition, site assembly condition, site valuation condition, TfL consent condition</p>

	<p>and other site specific conditions, and may include planning overage.</p> <p>TTLP will have the option to reacquire a property at its market value if development has not commenced by an ultimate longstop date (which for the initial Properties is the date 5 years from completion), subject to non-default extensions.</p>
Works Agreement and Infrastructure Protection	A Works Agreement will be entered into with the relevant TfL landowner in respect of each of the Properties (and any future sites), ensuring the development works are carried out in accordance with TfL's standard infrastructure protection requirements.
FUNDING	
Equity funding	<p>The JV Participants commit to fund the JV up to an agreed level of commitment in respect of each Property (the "Commitments"), with the TfL Partner committing to provide [49%] of the total Commitments and the JV Partner [51%]. Neither of the JV Participants shall be obliged to increase their Commitments without their agreement.</p> <p>The JV Agreement will contain customary provisions regarding the provision of further funding, if required, including a priority return on any unmatched shortfall funding.</p>
Debt funding	It is the intention of the JV to raise debt funding on each Property at an expected loan to cost ratio of up to [60]%. Following the end of the Development Phase, it is envisaged that construction debt will be refinanced with third party investment debt funding at a maximum of LTV of [60]%.
MANAGEMENT	
Management of JVCo	The JV Agreement contains customary provisions regarding management and joint decision making, conflicts and disenfranchisement.
Business Plan	The business of the JV will be run in accordance with the agreed business plan (the " Business Plan "). The Business Plan will be reviewed on an on-going basis and approved on an annual basis.

Deadlock Provision	The JV Agreement contains typical provisions for resolving deadlock matters, involving escalation to senior executives, resolution by an expert (where appropriate in respect of technical matters), or continuation of status quo, save that where the deadlock relates to a Major Reserved Matter (being a Reserved Matter which requires resolution for the JV to continue) either JV Participant can trigger a sale process, subject to a first right for TfL to acquire the relevant interest at market value.
Development, Asset and Property Management	The JV shall appoint a Development Manager and an Asset Manager and shall delegate certain matters to them in relation to (respectively) the management of the development of the Properties and the management of the portfolio and the JV Group. The initial Development Manager and Asset Manager will be affiliates of the JV Partner. The JV shall also appoint a Property Manager to manage the Properties on a day-to-day basis.
PROFIT SHARING AND DISTRIBUTIONS	
Profits and distributions	Net Income and capital receipts of JVCo shall be distributed pari passu, subject to a priority return in respect of any shortfall funding provided by either JV Participant.
TRANSFERS OF JV INTERESTS AND DISPOSAL OF THE PROPERTY	
Transfers	Save for transfers to affiliates, no transfers of any interests in JVCo shall be permitted without the consent of the other JV Participant prior to the last to expire of the Propco Lock-in Periods relating to the initial Properties (the " JV Lock-in Period "). " Propco Lock-in Period " means in relation to each Property, the period until the earlier of (a) the first anniversary of PC and (b) the relevant Propco letting threshold having been achieved post-PC.
Transfers – JV level	After the expiry of the JV Lock-in Period, if either JV Participant wishes to transfer its interest in the JV (other than to an affiliate), it may do so subject to a right of first refusal in favour of the non-selling JV Participant. If the non-selling JV Participant does not offer to purchase the interest, the selling JV Participant shall then be entitled to sell the interest to a third party at a price no less than 97.5% of the price offered

	within a period of 6 months.
Transfers – individual Properties	After the expiry of the Propco Lock-in Period, if either JV Participant wishes to transfer its interest in an individual Property, an equivalent right of first offer mechanism will apply, save that if the other JV Participant does not wish to acquire at the price offered, the Property (or Propco) will be marketed as a whole and if the price achieved is above the price offered then both parties will agree to sell.
MISCELLANEOUS	
Default Buy-Out	The JV Agreement contains customary provisions regarding events of default for insolvency and material breach, including rights for the non-defaulting party to acquire the interests of the defaulting party at a 10% discount (or as an alternative the right for the non-defaulting party to require a sale and receive a 10% premium from the proceeds).