

Date 20 January **2023**

SIR PETER JOHN WOOD
as the Lender

SPWONE V LTD
as the Borrower

LOAN AGREEMENT

MACFARLANES

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

DATE

20 January

2023

PARTIES

- 1 **SIR PETER JOHN WOOD** of C/O SPWOne, PO Box 671, Epsom, England KT17 9PE (the "**Lender**"); and
- 2 **SPWONE V LTD** (registered in England and Wales with registered number 1349085) whose registered office is at PO Box 671, Epsom, England KT17 9PE (the "**Borrower**").

AGREEMENT

1 **Interpretation**

1.1 In this agreement the following words and expressions shall have the following meanings:

Acquisition: the acquisition of the entire issued and to be issued share capital of Dignity plc not already owned or controlled by Castelnau Group Limited and Phoenix Asset Management Partners Limited by way of a takeover offer within the meaning of s.974 of the Act or a scheme of arrangement to be effected pursuant the Act;

Act: the Companies Act 2006;

Business Day: any day other than a Saturday, Sunday or any other day which is a public holiday in England;

Change of Control: where a person (or persons acting in concert, within the meaning given to such term in The City Code on Takeovers and Mergers) who controls the Borrower ceases to do so and/or another person (or persons acting in concert) acquires control of the Borrower, and for these purposes a person has "control" of the Borrower if it has the power to secure that the affairs of the Borrower are conducted in accordance with the wishes of that person:

- (i) by means of holding (directly or indirectly) over 50% of the total voting rights conferred by all issued shares in the capital of the Borrower which are ordinarily exercisable in general meetings, or the possession of voting power, in or in relation to the Borrower or any other body corporate; or
- (ii) as a result of any power conferred by the articles of association or any other document regulating the Borrower or any other body corporate; or
- (iii) as a result of having the right to appoint or remove a majority of the main board of directors of the Borrower,

and the new Controlling Party was not a Group Company of the Borrower immediately prior to acquiring control of the Borrower;

Controlling Party: the person who controls the Borrower. For these purposes a person has control of the Borrower if it has the power to direct the affairs of the Borrower:

- (i) by means of holding (directly or indirectly) over 50% of the total voting rights conferred by all issued shares in the capital of the Borrower which are ordinarily exercisable in general meetings, or the possession of voting power, in or in relation to the Borrower or any other body corporate; or
- (ii) as a result of any power conferred by the articles of association or any other document regulating the Borrower or any other body corporate; or
- (iii) as a result of having the right to appoint or remove a majority of the main board of directors of the Borrower;

Drawdown Amount: has the meaning given in clause 4;

Drawdown Date: the date on which the Drawdown Amount is drawn down;

Drawdown Notice: has the meaning given in clause 4;

Facility: the secured term loan facility made available to the Borrower under clause 2;

Facility Amount: £103,299,868;

Group Company: in relation to the Borrower, each of its group undertakings from time to time;

Interest Period: the period commencing on 1 January and ending on the immediately following 31 December (both dates inclusive) except that:

- (i) the first Interest Period shall commence on the Drawdown Date and end on the immediately following 31 December (both dates inclusive); and
- (ii) the final Interest Period shall commence on (and include) the later of: (i) whichever 1 January more immediately precedes the date on which the Loan is terminated; and (ii) the Drawdown Date, and shall end on (but exclude) the date on which the Loan is terminated;

Loan: the loan of the Drawdown Amount made or to be made pursuant to the Facility by the Lender, or the principal amount outstanding for the time being of the loan;

Parties: the parties to this agreement;

Purpose: has the meaning given in clause 3.1.2;

Rate of Interest: the rate of interest of up to 10 per cent. per annum as determined in the Lender's discretion;

Security Interest Agreement: a Guernsey law governed security interest agreement in the agreed form between the Borrower as grantor and the lender as secured party pursuant to which the Borrower creates a security interest in accordance with the Security Interests (Guernsey) Law, 1993 over the shares held by the Borrower in Valderrama from time to time in favour of the Lender; and

Valderrama: Valderrama Limited, a company incorporated in Guernsey with registered number 70991, whose registered office is at PO Box 650, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX.

1.2 Unless a contrary indication appears, a reference in this agreement to:

1.2.1 any Party shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

1.2.2 any reference to any other document is a reference to that other document as amended, varied, supplemented, restated, adhered to or novated (in each case, other than in breach of the provisions of this agreement or such other document) at any time;

1.2.3 any reference to any statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, whether before, on, or after the date of this agreement;

1.2.4 any reference to any legislation (whether of the United Kingdom or elsewhere) including to any statute, statutory provision or subordinate legislation

("Legislation") includes a reference to that Legislation as from time to time amended or re-enacted, whether before, on, or after the date of this agreement;

1.2.5 any reference to the background section, a clause or schedule is to the background section, a clause or schedule (as the case may be) of or to this agreement; and

1.2.6 clause headings are for ease of reference only.

2 The Facility

The Lender grants to the Borrower a secured term loan facility in a maximum aggregate amount equal to the Facility Amount, upon the terms and conditions of this agreement.

3 Security and Purpose

3.1 The Facility is made available to the Borrower on the basis that:

3.1.1 the Security Interest Agreement is entered into; and

3.1.2 the Borrower applies the Loan to finance its subscription for shares in the capital of Valderrama in connection with the Acquisition (the "Purpose").

3.2 The Lender shall be entitled to assume without enquiry that the Loan has been and is being used for the Purpose.

4 Draw down

Subject to the terms of this agreement, the Borrower may draw down under the Facility as a single advance on the date specified in a written drawdown notice made by the Borrower ("Drawdown Notice"), being not less than one Business Day from the date of the Drawdown Notice. The amount to be drawn down shall be specified in the Drawdown Notice (the "Drawdown Amount") and shall not exceed the Facility Amount.

5 Interest

5.1 At the Lender's discretion, interest may be applied to the Loan by the Lender providing written notice to that effect ("Interest Notice") and, if applied:

5.1.1 interest on the Loan shall be due from the Borrower, which shall be calculated in accordance with clause 5.1.2 and paid in accordance with clause 6; and

5.1.2 interest on the Loan shall (notwithstanding the date of the Interest Notice) apply from the Drawdown Date at the applicable Rate of Interest, accrue daily and the amount of interest payable shall be calculated by applying the applicable Rate of Interest to the principal amount of the Loan outstanding on the basis of the actual number of days elapsed and a 365-day year or, in the case of a leap year, 366-day year and by rounding up the resultant figure to the nearest penny.

5.2 Any outstanding amount under this agreement which is not paid by the due date therefor shall accrue interest (in addition to any interest which may be due under clause 5.1 above) on a daily basis after as well as before judgment at the rate of 3% per annum above the base rate from time to time of Royal Bank of Scotland Plc from the due date up to and including the date of payment.

5.3 Any outstanding interest accruing under clauses 5.1 or 5.2 above may, at the Lender's option, be compounded on a quarterly basis.

6 **Repayment and prepayment**

6.1 The Loan (including any accrued but unpaid interest thereon, if interest is applied) shall be repaid on the date specified for repayment in a written demand made by the Lender requiring repayment, being not less than five Business Days from the date of the demand.

6.2 The Borrower may prepay the Loan (or part of the Loan) on giving at least five Business Days' notice of such prepayment to the Lender (unless the Parties agree to waive such notice requirement).

6.3 If the Borrower elects to prepay the Loan, it shall pay:

6.3.1 an amount equal to the principal amount of the Loan; plus

6.3.2 all interest accrued in respect of the Loan (if interest is applied) calculated down to and including the date of prepayment.

7 **Payments**

7.1 All payments made by the Borrower under this agreement shall be in sterling and in immediately available and cleared funds to the Lender at the bank account it may notify to the Borrower from time to time.

7.2 If any payment becomes due on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.

7.3 Any determination by the Lender of any amount payable under this agreement shall, in the absence of manifest error, be conclusive and binding on the Borrower.

7.4 The Borrower shall indemnify the Lender on demand against any loss or expenses (as conclusively determined by the Lender) which the Lender may sustain or incur as a consequence of any breach by the Borrower of its obligations under this agreement.

8 **Events of Default**

Each of the events or circumstances set out in this clause 8 (other than clause 8.3) is an Event of Default.

8.1 The Borrower fails to pay any sum payable by it under this agreement.

8.2 The Borrower fails (other than by failing to pay), to comply with any provision of this agreement and (if the Lender considers, acting reasonably, that the default is capable of remedy), such default is not remedied within five Business Days of the earlier of:

8.2.1 the Lender notifying the Borrower of the default and the remedy required;

8.2.2 the Borrower becoming aware of the default.

8.3 The Borrower is subject to a Change of Control.

8.4 At any time after an Event of Default has occurred which is continuing, the Lender may, by notice to the Borrower exercise and enforce any or all of its rights, remedies, powers, or discretions under this agreement and/or the Security Interest Agreement.

9 **Notices**

Each communication to be made under this agreement shall be made in writing and, unless otherwise agreed, may be made by letter or email.

10 **Third parties**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

11 **Costs**

Each of the Parties shall be responsible for its respective legal and other costs incurred in relation to the negotiation, preparation and completion of this agreement.

12 **Benefit of agreement**

12.1 The terms of this agreement shall bind and enure for the benefit of the Borrower and the Lender and their respective successors.

12.2 The Borrower may not assign or transfer any part of its rights and/or obligations hereunder without the agreement in writing of the Lender.

12.3 The Lender may assign or transfer all of its rights under this agreement.

13 **Counterparts**

This agreement may be executed in counterparts, each of which shall be an original, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

14 **Set-off**

14.1 The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement or any other agreement. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off.

14.2 Any exercise by the Lender of its rights under this clause 14 shall not limit or affect any other rights or remedies available to it under this agreement or any other agreement or otherwise.

14.3 The Lender is not obliged to exercise any of its rights under this clause 14, but if the rights are exercised, the Lender shall promptly notify the Borrower of the set-off that has been made.

15 **Non-Waiver**

The Lender may grant extra time to the Borrower or any other person for the payment of any monies due under this agreement or may reach any other compromise with the Borrower or any other person without affecting the Borrower's liability under this agreement.

16 **General**

16.1 The Borrower shall at its own cost promptly register the Security Interest Agreement at Companies House at the Lender's direction and discretion.

16.2 Within one month after completion of the registration of the Security Interest Agreement at Companies House the Borrower shall send to the Lender confirmation of the same (as received from Companies House), and a print out of the Charges Register for the Borrower at Companies House showing the Security Interest Agreement as duly registered.

16.3 If any provision of this agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- 16.3.1 the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- 16.3.2 the legality, validity or enforceability in any other jurisdiction of that or any other provision of this agreement.
- 16.4 No announcement or disclosure concerning the matters provided for in this agreement shall be made or issued by or on behalf of either of the Parties without the prior written approval of both Parties.
- 16.5 This agreement and any documents referred to in it constitute the whole agreement between the Parties in respect of its subject matter and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating thereto.
- 17 Governing law and jurisdiction**
- 17.1 This agreement is governed by and shall be construed in accordance with the laws of England. Non-contractual obligations (if any) arising out of or in connection with this agreement (including its formation) shall also be governed by the laws of England and Wales.
- 17.2 The Parties submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter (whether contractual or non-contractual) arising out of or in connection with this agreement or any of the documents to be entered into pursuant to this agreement (including their formation).
- 17.3 Each Party irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this agreement (including its formation) being served on it in accordance with the provisions of this agreement relating to service of notices. Nothing contained in this agreement shall affect the right to serve process in any other manner permitted by law.

This agreement has been entered into on the date stated at the beginning of this agreement.

LENDER

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BORROWER

SIGNED by)
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 for and on behalf of **SPWONE**)
V LTD)
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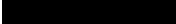
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