

**FROM:** The Trustees of the McKay Securities PLC Pension and Life Assurance Pension Scheme

**TO:** Workspace Group Plc

**CC:** McKay Securities Plc

25 February 2022

Dear Workspace Group Plc,

**Project Alpine - The McKay Securities PLC Pension and Life Assurance Scheme (the "Scheme")**

We understand that Workspace Group Plc is considering acquiring the entire issued share capital of McKay Securities Plc by a scheme of arrangement ("**Project Alpine**") and is anticipating making an announcement under rule 2.7 of the Take-over code during the week commencing 28 February 2022.

**1 Background and Trustees' approach**

The Trustees have to-date relied materially on McKay Securities Plc's support for the Scheme in setting their investment and funding strategy for the Scheme, not just for its financial strength and status as a public limited company, but also because of the strong connection and loyalty of McKay Securities Plc to the members, its former directors and senior employees.

Absent the agreement set out in this letter (which shall be executed and delivered as a Deed by the Trustees, Workspace Group Plc and McKay Securities Plc), the Trustees are concerned that given the impact of Project Alpine on the aforementioned connection and loyalty, Project Alpine could materially reduce the reliance that the Trustees can place on McKay Securities Plc, notwithstanding Workspace Group Plc's strong financial standing and listed company status such that the Trustees would need to reconsider their approach to investment and funding strategy for the Scheme and close monitoring of McKay Securities Plc's covenant.

By this "**Deed**" between the Trustees and Workspace Group Plc and McKay Securities Plc it is agreed as follows:

**2 Agreement**

2.1 Workspace Group Plc undertakes to the Trustees to execute and deliver, prior to completion of Project Alpine but conditional on completion of Project Alpine, an evergreen parent company guarantee in respect of all liabilities of McKay Securities Plc to the Trustees from time to time not exceeding an amount equal to the entire aggregate liability in relation to the Scheme if a debt under Section 75 of the Pensions Act 1995 were to have become due at the relevant time, in a form that would be capable of approval by the Pension Protection Fund;

2.2 Conditional on completion of Project Alpine, Workspace Group Plc undertakes to the Trustees to:

2.2.1 procure or consent to McKay Securities Plc agreeing to, with effect from completion of Project Alpine, payment of an additional £120,000 per annum, payable in equal monthly instalments, by way of special contributions to the Scheme until the signing of the schedule of contributions resulting from the next valuation, the next valuation being the triennial valuation of the Scheme as at 31 March 2023;

2.2.2 procure McKay Securities Plc's payment of all contributions and scheme expenses under the schedule of contributions in force from time to time;

2.2.3 procure or consent to McKay Securities Plc agreeing not to exercise any power it has (pursuant to the rules governing the Scheme or otherwise) to remove any

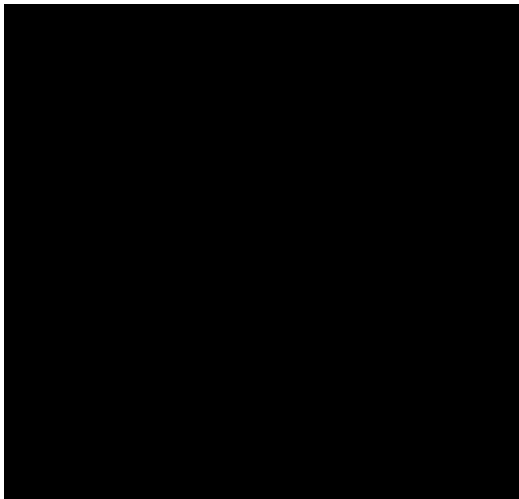
of the current Trustees unless all other Trustees have consented to that removal or where the Trustee concerned has submitted their resignation in accordance with the Scheme's governing rules;

- 2.2.4 procure or consent to McKay Securities Plc agreeing not to exercise any power it has (pursuant to the rules governing the Scheme or otherwise to appoint any additional Trustees) to increase the total number of Trustees above four;
  - 2.2.5 provide information to the Trustees in respect of Project Alpine and Workspace Group Plc and, after completion of Project Alpine, in respect of McKay Securities Plc to enable the Trustees to assess the impact of Project Alpine on, and to enable them to monitor, the covenant to the Scheme, such information to be no more onerous than that provided by Workspace Group Plc to its unsecured creditors from time to time, or as further specified in an information sharing protocol agreed between Workspace Group Plc and the Trustees;
  - 2.2.6 meet with the Trustees no more than once every quarter to provide information to the Trustees concerning the financial performance of Workspace Group Plc and, after completion of Project Alpine, McKay Securities Plc and to answer questions raised by the Trustees concerning the covenant to the Scheme; and
  - 2.2.7 to engage with Trustees constructively in the context of the triennial valuation as at 31 March 2023 with a view to agreeing a long term funding objective for the Scheme, including considering a buy-out of the Scheme that takes account of the small number of remaining members of the Scheme and their status as pensioner members.
- 2.3 Until the completion of Project Alpine, McKay Securities Plc undertakes to the Trustees to provide information to the Trustees in respect of Project Alpine and McKay Securities Plc that is reasonably required by the Trustees to enable them to assess Project Alpine and to monitor the covenant to the Scheme when requested by the Trustees and proactively in line with providing information to other counterparties or when material changes are made affecting the business and assets or liabilities of McKay Securities Plc, or as further specified in an information sharing protocol agreed between McKay Securities Plc and the Trustees.
- 2.4 Subject to Workspace Group Plc and McKay Securities Plc complying with their undertakings above and provided contributions are paid in accordance with the schedule of contributions in force from time to time and without prejudice to the Trustees' fiduciary duties, the Trustees do not expect or intend, other than if unexpected circumstances were to occur, to:
- 2.4.1 call a valuation of the Scheme with an effective date earlier than 31 March 2023;
  - 2.4.2 seek to increase McKay Securities Plc's contribution obligations; or
  - 2.4.3 take any step to trigger the winding-up of the Scheme on or prior to completion of Project Alpine or thereafter unless, at any time, all benefits can be secured with an insurer without further contributions to the Scheme.
- 2.5 No person who is not a party to this Deed, other than successors in office of the Trustees, shall have any rights to enforce any term of this Deed.
- 2.6 This Deed may be executed in any number of counterparts, in which case this Deed will be effective as if all signatures on the counterparts were on a single copy of this Deed.
- 2.7 This Deed and any contractual or non-contractual obligations arising out of or in connection with it shall be governed by, and shall be interpreted in accordance with, English law.

In witness hereof this document has been executed and delivered as a deed by the parties on the date which first appears on this Deed.

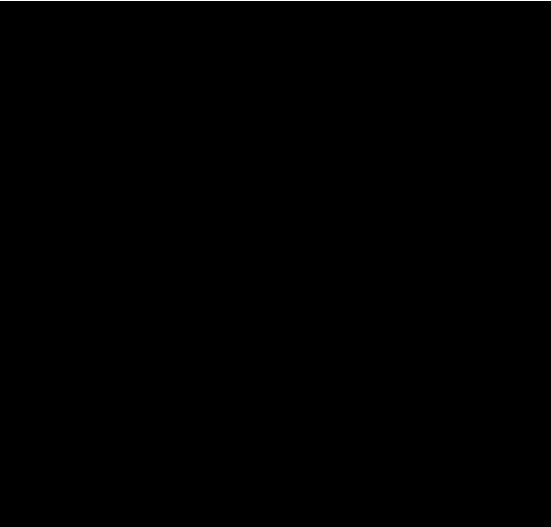
**SIGNED** as a **DEED** by )  
[REDACTED] as a )  
Trustee of the Scheme )  
in the presence of: )

Witness:      Signature:  
                  Name:  
                  Address:  
  
                  Occupation:



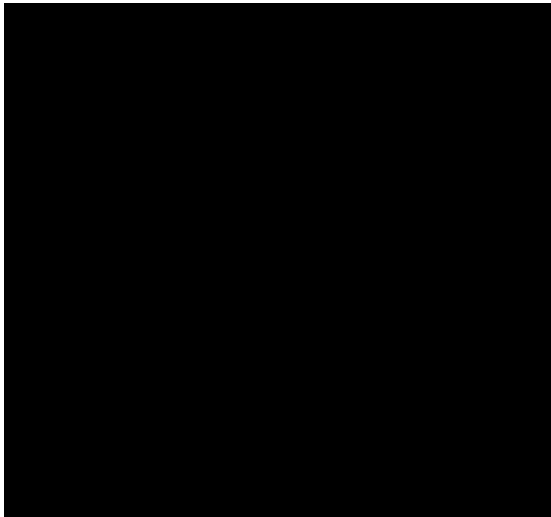
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Trustee of the Scheme )  
in the presence of: )

Witness:      Signature:  
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[REDACTED] as a )  
Trustee of the Scheme )  
in the presence of: )

Witness:      Signature:  
                  Name:  
                  Address:  
  
                  Occupation:



**EXECUTED** as a **DEED** by )  
Stratact Consulting Limited as )  
a Trustee of the Scheme, )  
acting by [REDACTED] (a )  
director) and [REDACTED] (its )  
secretary) )

) [REDACTED]  
) ..... [REDACTED]  
) Director [REDACTED]  
) ..... [REDACTED]  
Secretary

**EXECUTED** as a **DEED** by )  
McKay Securities Plc, acting )  
by [REDACTED] (a director) )  
and [REDACTED] (a director) )

) [REDACTED] ...  
) ..... [REDACTED] ...  
) Director [REDACTED]  
) ..... [REDACTED] .....  
Director

**EXECUTED** as a **DEED** by )  
Workspace Group Plc, acting )  
by [REDACTED] (a director) )  
and [REDACTED] (its )  
secretary) )

) [REDACTED]  
) ..... [REDACTED] .....  
) Director [REDACTED]  
) ..... [REDACTED]  
Secretary