

LOAN AGREEMENT Company – Base Rate (01/23)

THIS AGREEMENT IS AN IMPORTANT CONTRACT. YOU SHOULD TAKE LEGAL ADVICE BEFORE SIGNING.

Customer: Sara Li (registered number **1284765**)

Parent: ITW Holdings (registered number **8263542**)

Bank: National Westminster Bank Plc

1 The Loan

1.1 The Bank will provide the Customer with a Loan for the **purchase of the Property at 45 Kings Street, London** and to cover any interest applied to the Loan and pay the Arrangement Fee.

2 Loan Details

- **Loan Amount:** £250,000.
 - **Interest Rate:** 4.5% p.a. over Base Rate. On **15th June 2022**, Base Rate was **1.75%** p.a. Where Base Rate is below zero, it will be deemed to be zero.
 - **Repayment Date:** The date which is **60** months after the Loan or the first part of it is drawn (**28th September 2024**).
 - **Final Repayment Date:** The date which is **60** months after the Loan or the first part of it is drawn (**28th September 2029**).
 - **Arrangement Fee:** £500 to be paid following the Bank's receipt of the signed Agreement, unless otherwise agreed.
 - **Drawing Fee:** £250 to be paid at each drawing.
 - **Cancellation Fee:** £150, to be paid when any part of the Loan is cancelled by the Bank or the Customer.
 - **Exit Fee:** £300 to be paid when the Loan is fully repaid.
 - **Monitoring Fee:** £75 to be paid when the Loan or the first part of it is drawn and then **quarterly** until the Loan is fully repaid.
 - **Security Fee:** £200 to be paid following the Bank's receipt of the signed Agreement, unless otherwise agreed.
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3 Preconditions

The Loan can be drawn when the Bank has received this Agreement signed by the Customer and the Parent and is satisfied with:

- The authority to sign this Agreement.
 - All security and any related insurance.
 - Evidence that the Customer's contribution has been made in full, from its own resources and not from borrowing.
 - The Customer's bank statements for the preceding **6 months**.
 - The documents and information needed to comply with its account opening and customer identity requirements.
 - The Customer's interest rate hedging arrangements.
 - Credit reference agency reports.
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4 Drawdown

4.1 The Loan will be drawn in such amounts as may be agreed between the Bank and the Customer. If the Customer has a current account with the Bank, the Bank may credit the Loan or any part of it to that account. Otherwise, the Loan or each part will be drawn as instructed by the Customer.

4.2 Unless otherwise agreed, if the Loan or the first part of it is not drawn within **3 months** from the date this Agreement is signed by the Bank, the Bank may decide not to provide the Loan.

4.3 A drawdown will not be permitted if an Event of Default as detailed in this Agreement has occurred or would be caused by the drawdown.

4.4 No amount repaid may be redrawn.

5 Interest

5.1 The Customer will pay interest on the outstanding balance of the Loan at the Interest Rate.

5.2 References to Base Rate are to National Westminster Bank Plc's base rate, which may change at any time and with immediate effect.

5.3 Interest will be calculated and accrue daily on a **365-day year**, both before and after demand or court order. During the **12-month** period starting on the date the Loan or the first part of it is drawn, accrued interest will be applied and compounded to a separate account monthly on the final business day of each calendar month and on the last day of the period.

5.4 Following an Event of Default, the Bank may charge interest on the whole amount due at **2% p.a.** above the Interest Rate until the default is remedied to the Bank's satisfaction.

6 Repayment

6.1 The Customer will repay the Loan and interest from the proceeds of the **sale of the Property at 45 Kings Street** by the Repayment Date.

6.3 The Customer will repay the Loan and interest by **monthly** Regular Instalments of **£1,200** and a final instalment of **£2,000**.

6.4 The instalment amounts are based on a repayment term of **5** years from the date on which the Loan or the first part of it is drawn.

6.5 The first instalment is due **2 months** after the date on which the Loan or the first part of it is drawn, and the final instalment is due on the Final Repayment Date.

6.9 The Customer will repay the Loan by **monthly** instalments of **£1,200** and a final instalment of **£2,000**.

6.10 The first instalment is due **2 months** after the date on which the Loan or the first part of it is drawn, and the final instalment is due on the Final Repayment Date.

7 Fees and Costs

7.1 The Customer will pay the fees detailed in this Agreement.

7.2 The Customer will pay, within **3 days** of demand, all costs incurred by the Bank in connection with this Agreement.

8 Payments and Set-Off

8.1 The Customer will comply with the Bank's requirements in respect of payments under this Agreement.

8.4 A payment due on a non-business day will be payable on the next business day.

9 Confirmations

Each of the Customer and the Parent confirms on the date it signs this Agreement that:

9.1 It has power to carry on its current business.

9.2 This Agreement does not breach its constitution and it has taken all necessary action to authorise this Agreement.

9.3 Its most recent financial statements provided to the Bank were prepared in accordance with generally accepted accounting principles (GAAP), fairly represent its financial condition at the date they were prepared, and there has been no material adverse change in its business or financial condition since that date.

9.4 There is no actual or threatened litigation, dispute resolution, administrative proceeding, or enforcement process, or any breach of an agreement, affecting it or any Subsidiary, which could have a material adverse effect on its business or financial condition or on its ability to perform this Agreement.

A Subsidiary is an entity controlled, directly or indirectly, by the Customer or by a Subsidiary of the Customer.

Control means the ability to appoint or remove directors or exercise the majority of voting rights alone or with the agreement of others.

10 Security

10.1 Security for the Loan is detailed in the Security Schedule.

10.2 The Loan will also be secured by any further security held by the Bank for the Customer's liabilities.

10.3 If any security is to be replaced, it will be released when the Bank is satisfied with the new security.

11 Information Undertakings

11.1 The Customer and the Parent will provide the following Financial Information within the specified number of days from the end of the period to which it relates:

11.1.1 Its annual audited financial statements and the annual audited consolidated financial statements of ITW Holdings (the Parent) within **270 days**.

11.1.2 Its quarterly management accounts and the quarterly consolidated management accounts of the Parent incorporating profit and loss account, balance sheet, cash flow statement, and aged list of debtors and creditors within **30 days**.

11.1.5 A quarterly schedule of current lettings at the Property to include details of Rent Roll and rental income payable and received starting with the period to **30th September 2024**.

11.1.6 With each set of annual statements and accounts, a certificate, in a form acceptable to the Bank, detailing the calculation of the Financial Covenants, signed by a director or the secretary of the Customer.

11.1.7 A certificate in a form acceptable to the Bank detailing the calculation of the Interest Cover Property Covenant and signed by a director or the secretary of the Customer, within **30 days** of the end of the relevant testing period.

11.2 The Customer and the Parent will ensure that all Financial Information is prepared consistently and in accordance with GAAP and that any management accounts are in a form acceptable to the Bank.

11.3 The Customer and the Parent will notify the Bank of any change in its financial year-end or any change in GAAP or accounting practice which affects the preparation of the Financial Information. The Customer and the Bank will agree on any amendments required to the Financial Covenants, so that they have the same effect as before the changes. The decision of the Bank will be final regarding:

11.3.1 Any amendments required to the Financial Covenants, if agreement is not reached within **30 days**.

11.3.2 Any dispute over the calculation of the Financial Covenants.

11.4 The Customer will immediately notify the Bank if an Event of Default occurs or if there is a material adverse change in its business or financial condition.

11.5 The Customer and the Parent will promptly provide:

11.5.1 All documents and information required by the Bank to comply with its customer account opening and identity requirements.

11.5.2 Details of any actual or threatened litigation, dispute resolution, administrative proceeding, or enforcement process affecting it or any Subsidiary, which could have a material adverse effect on its business or financial condition or on its ability to perform this Agreement.

11.5.3 All documents sent by the Customer or the Parent to its shareholders and any further information regarding its business or financial condition as the Bank may reasonably request, including audited financial statements if not already provided.

11.5.4 Within **2 business days** of filing a copy of any document filed at court initiating or applying for a moratorium in relation to the Customer or the Parent.

11.5.5 Within **2 business days** a copy of any court order made to bring a moratorium into force in relation to the Customer, the Parent, or any other Subsidiary.

12 Financial Covenants

12.1 The following Financial Covenants apply and will be calculated using the Customer's consolidated Financial Information:

12.1.1 Debt Servicing: Net Cash Flow to Debt Service Liability for each month must be at least **1.5 to 1**.

12.1.2 Interest Cover: EBITA plus operating lease charges to Borrowing Costs plus operating lease charges for each financial year must be at least **2 to 1**.

12.1.3 Gross Leverage: Gross Borrowings to EBITDA for each financial year must not exceed **3 to 1**.

12.1.4 Minimum Net Tangible Assets: Net Tangible Assets on the last day of each financial year must be at least **£150,000**.

12.1.5 Gearing: Gross Borrowings must not exceed **60%** of Net Tangible Assets on the last day of each financial year.

12.1.6 Dividends: Dividends payable in each financial year must not exceed **40% of Earnings** without the consent of the Bank.

12.1.7 Capital Expenditure: Capital Expenditure in each financial year must not exceed **£50,000** without the consent of the Bank.

13 Property Covenants

13.1 The following Property Covenants apply:

13.1.1 Interest Cover: Gross Rental Income to Bank Borrowing Costs must be at least **2 to 1** for each consecutive **12-month** period, starting with the period ending **30th September 2024**.

13.1.2 Bank Borrowing to Value: Peak Bank Borrowing must not exceed **75%** of Value during each consecutive **12-month** period, starting with the period ending **30th September 2024**.

13.1.3 Debt Servicing: Net Rental Income to Bank Borrowing Costs must be at least **1.5 to 1** for each consecutive **12-month** period, starting with the period ending **30th September 2024**.

13.1.4 Loan to Value: the Loan must not exceed **80%** of Value on each Valuation Date.

14 General Undertakings

14.1 The Customer will:

14.1.1 Use the Loan only for the purpose stated.

14.1.2 Ensure that any precondition to drawdown, which the Bank agrees to defer until after drawdown, is satisfied within the period specified by the Bank.

14.1.3 Maintain insurance on the life of **Sara Li** for not less than the outstanding balance of the Loan and will:

- Not dispose of the policy.
- If required by the Bank, secure the policy to the Bank.

14.1.4 Maintain the interest rate hedging arrangements approved by the Bank.

14.1.5 Pay for a valuation of the properties charged to the Bank, as required by the Bank, at any time.

14.1.6 If required by the Bank, ensure that rental income from any properties charged to the Bank is paid to an account of the Customer with the Bank.

14.1.7 Maintain, in a suspense account controlled by the Bank, an amount notified by the Bank as equal to the projected interest payable on the Loan over a **12-month** period. The Customer will increase the amount within **3 business days** of a request by the Bank if Base Rate is increased.

14.2 The Customer and the Parent will, and the Parent will procure that any other Subsidiary will, in relation to its business and assets:

14.2.1 Insure against the same risks as a similar business in a similar locality would normally insure, including, if requested by the Bank, terrorism cover.

14.2.2 Maintain or ensure the holding of all certificates, licences, registrations, and authorisations required, and comply with all applicable laws and regulations.

14.3 The Customer and the Parent will not, and the Parent will procure that any other Subsidiary will not, without the consent of the Bank:

14.3.1 Grant or allow to exist any security, other than arising by the operation of law in the ordinary course of business.

14.3.2 Dispose of any asset except an asset that is not subject to a fixed charge to the Bank and which is disposed of in the ordinary course of business.

14.3.3 Grant, vary, or waive any term of or accept a surrender of any lease or licence of any property charged to the Bank, or consent to a tenant assigning or sub-letting.

14.3.4 Undertake any borrowing from another source or any leasing arrangement or factoring or invoice discounting of debts or any other arrangements for obtaining finance.

14.3.5 Grant any guarantees.

14.3.6 Make any material change in the nature of its business.

15 Change of Circumstances

15.1 The Customer must pay to the Bank, within **7 days** of notice, the amount certified by the Bank as an Increased Cost incurred by the Bank or its parent and attributable to this Agreement.

An Increased Cost is either a reduction in the rate of return on overall capital or an increase in cost, which results from any change in law or regulation or its application (excluding tax paid on overall net income).

15.2 The Bank may stop any further drawings and require repayment of the Loan, all interest accrued, and all other sums payable by the Customer under this Agreement, if:

15.2.1 Control of the Customer or the Parent changes without the consent of the Bank; or

15.2.2 It is or becomes, in the determination of the Bank or any regulator of the Bank, unlawful under any law or regulation in any jurisdiction for the Bank to perform this Agreement or to continue to provide this Loan.

16 Events of Default

16.1 Each of the following is an Event of Default:

16.1.1 Failure to pay any amount payable under this Agreement on its due date.

16.1.2 A breach of a Financial Covenant.

16.1.3 A breach of a Property Covenant.

16.1.4 Failure by the Customer or the Parent to comply with any other term of this Agreement or any security, unless the failure can be and is remedied within **7 days** of notice.

16.1.5 A guarantor or other grantor of security serves notice to discontinue that security, or fails to comply with any of its terms, unless the failure can be and is remedied within **7 days** of notice.

16.1.6 Control of the Customer's parent changes without the consent of the Bank.

16.1.7 Any confirmation given or information provided by or on behalf of the Customer or the Parent, which the Bank considers material, proves inaccurate.

16.1.8 A default by the Customer, the Parent, or any other Subsidiary (including a failure to pay when due on demand) under:

16.1.8.1 Any liability to the Bank.

16.1.8.2 Any other borrowing or arrangement for obtaining finance with any other creditor.

16.1.9 Any procedure is used to attach or take possession of any asset of the Customer, the Parent, or any other Subsidiary.

16.1.10 Any court order is made which adversely affects the whole or a material part of the assets of the Customer, the Parent, or any other Subsidiary.

16.1.11 The Customer, the Parent, or any other Subsidiary proposes a Voluntary Arrangement with its creditors.

16.1.12 There is any resolution or petition for liquidation, or insolvency proceedings are commenced, in relation to the Customer, the Parent, or any other Subsidiary in any jurisdiction, except as part of a re-organisation agreed by the Bank.

16.1.13 The Customer or any Subsidiary proposes a compromise or arrangement with its creditors or members or any class of them the purpose of which is to eliminate, reduce or prevent or mitigate the effect of financial difficulties.

16.1.14 Any security is enforced or a receiver or similar official is appointed in respect of any of the assets of the Customer, the Parent, or any other Subsidiary.

16.1.15 There is an administration application or notice is given to any person of intention to appoint an administrator, or an administrator or similar official is appointed, in relation to the Customer, the Parent, or any other Subsidiary.

16.1.16 There is a moratorium application or notice that the directors wish to obtain a moratorium is filed with the court or a monitor is appointed in relation to the Customer or any Subsidiary.

16.1.17 There is a significant drop in the value of the Customer's or the Parent's business or any security.

16.1.18 Any event occurs in relation to the Customer's parent, which would be an Event of Default if it occurred in relation to a Subsidiary.

16.1.19 Any other circumstances occur which cause the Bank to believe that the Customer's obligations to the Bank will not be met.

16.2 If an Event of Default occurs, then the Bank may demand immediate repayment of the Loan, all interest accrued, and all other sums payable by the Customer under this Agreement, and/or stop the drawing of any undrawn part of the Loan.

16.3 Without affecting any of its rights following an Event of Default, the Bank may agree to accept regular or increased instalments or payments.

17 Notices

17.1 All consents, notices, and demands must be in writing.

17.2 The Bank may deliver a notice or demand to the Customer at the contact details last known to the Bank, its registered office, or an address for service advised to the Bank.

17.3 A notice or demand by the Bank will be effective at the time of personal delivery; on the second business day after posting; or, if by fax, at the time of sending, if sent before **6.00 p.m.** on a business day, or otherwise on the next business day.

17.4 A notice from the Customer to the Bank must be addressed to the Customer's Relationship Manager and will be effective on receipt.

18 Disclosure of Information and Transfers

18.1 The Bank may give to anyone any information about the Customer, the Parent, this Agreement, or any associated security in connection with any proposed transfer of, or financial arrangement by reference to, this Agreement. The Bank may allow any person to take over any of its rights and duties under this Agreement and any associated security. References to the Bank in this Agreement include its successors.

18.2 The Customer may not transfer the benefit of this Agreement.

19 Non-waiver and Previous Agreements

19.1 If the Bank waives any of its rights under this Agreement, it does not mean the Bank will waive that right in future.

19.2 This Agreement replaces all previous agreements in relation to the Loan.

20 Making a Complaint

20.1 If the Customer wishes to make a complaint, the Customer may contact the Bank. The Customer may be provided with more information about the Bank's complaints procedure by requesting a leaflet, either by telephoning the Bank or visiting any branch.

20.2 After following this procedure, the Customer may also have the right to refer the complaint to the Financial Ombudsman Service (if the Customer meets the relevant eligibility criteria). The Financial Ombudsman Service can be contacted at **Exchange Tower, London E14 9SR**, on **0800 023 4567**, or via its website: **financial-ombudsman.org.uk**.

21 Disclosure of Customer Information

21.1 The Appendix to this Agreement details who the Bank may share Customer Information with and for what purpose. By signing this Agreement, the Customer gives its consent to that disclosure.

22 Law

22.1 **English** law governs this Agreement and the **English** courts have exclusive jurisdiction.

22.2 For the benefit of the Bank, the Customer and the Parent irrevocably submit to the jurisdiction of the relevant courts and irrevocably agree that a judgement or ruling in any proceedings in connection with this Agreement in those courts will be conclusive and binding on the Customer and the Parent and may be enforced against the Customer or the Parent in the courts of any other jurisdiction.

22.3 If an address for service is advised to the Bank, it, or any other address provided for this purpose, will be an effective address for service of proceedings on the Customer or the Parent.

Signed for the Bank

[Signature]

Name: John Smith

Title: Senior Relationship Manager

Date: 15th June 2022

Signed for the Customer in accordance with the authority held by the Bank

[Signature]

Name: Sara Li

Title: Customer

Date: 15th June 2022

[Signed for the Parent in accordance with the authority held by the Bank]

[Signature]

Name: Emily Johnson

Title: Director

Date: 15th June 2022

This is the Security Schedule referred to in the Loan Agreement between the Customer, the Parent and National Westminster Bank Plc

Customer: Sara Li (registered number 1284765)

Parent: ITW Holdings (registered number 8263542)

Security Type	Status	Granted By	Security Address/Description
1. Guarantee	Held/New	Mark Anderson	Personal Guarantee of Sara Li
2. First Legal Charge	Held/New	ITW Holdings	45 Kings Street, London, UK

Resolution re Loan Agreement

Extract from the Minutes of a Meeting of the Directors of ITW Holdings (the Parent)

"After due consideration of all the circumstances and on being satisfied that it is for the benefit of the Parent and in the interests of the Parent for the purpose of carrying on its business to enter into a loan agreement (the Agreement) in respect of a Loan of £250,000 from National Westminster Bank Plc (the Bank) to Sara Li in the form now produced, it was resolved that Emily Johnson be authorised to sign on behalf of the Parent the Agreement and any other documents required by the Bank in connection with the Agreement."

I certify that this is a true extract from the Minutes of a Meeting of the Directors of the Parent at which (all appropriate interests having been declared) a quorum entitled to vote was present duly held on the 15th day of June, 2022 and that a true copy of the Agreement has been retained by the Parent.

Secretary: Michael Brown

APPENDIX

Sharing of Customer Information

1. Definitions and interpretation

In this Appendix, the following words and phrases shall have the meanings set against them:

TERM	MEANING
Customer Information	means any and all categories of personal and financial information which we hold about you, including (without limitation) basic personal information such as your name and contact details, as well as information about your financial circumstances, your accounts and transactions and any persons or entities which are connected or related to you.
NatWest or NatWest Group	Means the group of companies of which NatWest Group plc is the holding company.
You or your	means the Customer/Borrower and the Customer's/Borrower's successors, transferees and assigns.
We, us or our	means the Bank.

2. Customer Information

2.1 We collect and process Customer Information throughout your relationship with us, to allow us to provide our products and services and to run our business. This includes basic personal information such as your name and contact details, and information about your financial circumstances, your accounts and transactions. We have a duty to keep customer information confidential. This Appendix sets out how we may share Customer Information with other NatWest companies and third parties.

2.2 In respect of any personal information relating to a third party that you provide to us, you must:

- a) notify the third party that you are providing their personal information to us and obtain their permission;
- b) provide the third party with a copy of this Appendix;
- c) ensure that, to the best of your knowledge, the personal information is accurate and up to date, and promptly notify us if you become aware that it is incorrect.

2.3 Your Customer Information may be shared with and used by other NatWest Group companies. We will only share Customer Information where it is necessary for us to carry out our lawful business activities, or where it is necessary to comply with laws and regulations that apply to us.

2.4 We will not share Customer Information with anyone outside NatWest except:

- a) where we have your permission;
- b) where required for your product or service;
- c) where we are required by law and to law enforcement agencies, judicial bodies, government entities, tax authorities or regulatory bodies around the world;
- d) with other banks and third parties where required by law to help recover funds that have entered your account as a result of a misdirected payment by such a third party;
- e) with third parties providing services to us, such as market analysis and benchmarking, correspondent banking, and agents and sub-contractors acting on our behalf, such as the companies which print our account statements;
- f) with other banks to help trace funds where you are a victim of suspected financial crime and you have agreed for us to do so, or where we suspect funds have entered your account as a result of a financial crime;
- g) with debt collection agencies;

- h) with credit reference and fraud prevention agencies;
- i) with third party guarantors or other companies that provide you with benefits or services (such as insurance cover) associated with your product or service;
- j) where required for a proposed sale, reorganisation, transfer, financial arrangement, asset disposal or other transaction relating to our business and/or assets held by our business;
- k) in anonymised form as part of statistics or other aggregated data shared with third parties; or
- l) where permitted by law, it is necessary for our legitimate interests or those of a third party, and it is not inconsistent with the purposes listed above.

2.5 If you ask us to, we will share Customer Information with any third party that provides you with account information or payment services. If you ask a third party provider to provide you with account information or payment services, you're allowing that third party to access Customer Information relating to your account. We're not responsible for any such third party's use of your account information, which will be governed by their agreement with you and any privacy statement they provide to you.

2.6 In the event that any additional authorised users are added to your account, we may share Customer Information about the use of the account by any authorised user with all other authorised users.

2.7 NatWest will not share Customer Information with third parties for their own marketing purposes without your permission.

2.8 We may transfer Customer Information to organisations in other countries (including to other NatWest Group companies) on the basis that anyone to whom we pass it protects it in the same way we would and in accordance with applicable laws. We will only transfer Customer Information if we are legally obligated to do so, or where the other country has laws that adequately protect it, or where we have imposed contractual obligations on the recipients that require them to protect Customer Information to the same standard as we are legally required to.