
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): February 28, 2022

GXO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-40470
(Commission File Number)

86-2098312
(IRS Employer Identification
Number)

**Two American Lane
Greenwich, Connecticut**
(Address of principal executive
offices)

06831
(Zip Code)

Registrant's telephone number, including area code: (203) 489-1287

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common stock, par value \$0.01 per share

Trading Symbol
GXO

Name of each exchange on which registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On February 28, 2022, GXO Logistics Inc., a Delaware corporation (the “Company”), issued an announcement (the “Rule 2.7 Announcement”) pursuant to Rule 2.7 of the UK City Code on Takeovers and Mergers (the “Code”), disclosing that the Company and the board of directors of Clipper Logistics plc (“Clipper”) had reached an agreement on the terms of a recommended cash and share offer by the Company for the acquisition of the entire issued ordinary share capital (the “Acquisition”) of Clipper. In connection with the Acquisition, (i) the Company and Clipper entered into a Cooperation Agreement, dated February 28, 2022 (the “Cooperation Agreement”) and (ii) the Company, Barclays Bank PLC (“Barclays”), as administrative agent, and certain other parties named therein entered into a Bridge Term LoanCredit Agreement, dated February 28, 2022 (the “Bridge Credit Agreement”).

Rule 2.7 Announcement

On February 28, 2022, the Company issued the Rule 2.7 Announcement disclosing that the Company and Clipper had reached an agreement on the terms of the Acquisition. The Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement (the “Scheme”) under Part 26 of the UK Companies Act of 2006 (the “UK Companies Act”). Under the terms of the Acquisition, Clipper shareholders will be entitled to receive 690 pence in cash and 0.0359 of a share of Company common stock, par value of \$0.01 per share (the “Company Shares”). The Acquisition will also provide for a mix and match facility, which will allow Clipper shareholders to elect to vary the proportions in which they receive Company Shares and cash as consideration; provided however, that such mix and match facility will not change the total number of Company Shares to be issued or the maximum amount of cash that will be paid under the terms of the Acquisition. The Scheme will lapse if the Acquisition is not completed before 11:59 p.m. U.K. time on November 28, 2022 or such later time and/or date as the Company and Clipper may agree in writing (with the consent of the U.K. Panel on Takeovers and Mergers (the “Panel”) or as the High Court of Justice of England and Wales (the “Court”) may approve (if such consent or approval is required)) (such date, the “Long-Stop Date”).

The Acquisition is conditioned upon, among other things, (i) the Scheme becoming unconditional and effective, subject to the provisions of the Code, by no later than the Long-Stop Date, (ii) the approval of the Scheme by the Clipper shareholders at the Court Meeting and the Clipper General Meeting (as such terms are defined in the Rule 2.7 Announcement), and (iii) the sanction of the Scheme by the Court. The conditions to the Acquisition are set out in full in the Rule 2.7 Announcement. It is expected that, subject to the satisfaction or waiver of all relevant conditions, the Acquisition will be completed in the summer of 2022.

The Company has reserved the right, subject to the prior consent of the Panel (and to the terms of the Cooperation Agreement and the Rule 2.7 Announcement), to elect to implement the Acquisition by way of a takeover offer (as such term is defined in the UK Companies Act).

A copy of the Rule 2.7 Announcement is included herein as Exhibit 2.01 and is incorporated herein by reference. The foregoing description of the Rule 2.7 Announcement is qualified in its entirety by reference to the full text thereof.

Cooperation Agreement

On February 28, 2022, the Company and Clipper entered into the Cooperation Agreement in connection with the Acquisition. Pursuant to the Cooperation Agreement, the Company and Clipper agreed to use reasonable endeavors for the purposes of obtaining any regulatory authorizations which are required to implement the Acquisition, to cooperate with each other in preparing required documents and other matters and have given certain undertakings to implement the Acquisition.

The Company has the right to terminate the Cooperation Agreement in certain circumstances, including if the Clipper board of directors publicly withdraws, adversely qualifies, adversely modifies or fails to re-affirm or re-issue (where reasonably requested by the Company to do so) its unanimous and unconditional recommendation that Clipper shareholders vote in favor of the Scheme or a competing transaction is either recommended by the Clipper board of directors or completes, becomes effective or is declared or becomes unconditional in all respects.

A copy of the Cooperation Agreement is included herein as Exhibit 2.02 and is incorporated herein by reference. The foregoing description of the Cooperation Agreement is qualified in its entirety by reference to the full text thereof.

Irrevocable Undertakings

The Scheme is subject to the approval of Clipper's shareholders in accordance with the UK Companies Act. The Company has received irrevocable undertakings from certain shareholders of Clipper (the "Supporting Shareholders") to support the Acquisition. Pursuant to such undertakings, the Supporting Shareholders have agreed to vote in favor of the Scheme at the Court Meeting and the resolutions to be proposed at the Clipper General Meeting or, if the Acquisition is implemented by way of a takeover offer, the Supporting Shareholders have agreed that they will accept such takeover offer by the Company. The Company has also received irrevocable undertakings from David Hodkin, Steve Parkin, George Turner, Gurnaik Chima, Sean Fahey and Tony Mannix to elect to receive 50% of their consideration in the form of Company Shares.

As of February 28, 2022, the Supporting Shareholders beneficially owned approximately 23,893,180 shares, representing, in aggregate, 23.3% of the existing issued ordinary share capital of Clipper.

The undertakings will continue to be binding in the event that a competing offer is made for Clipper. They will cease to be binding in certain circumstances, including if: (i) the Company announces that it does not intend to make or proceed with the Acquisition, (ii) the Scheme lapses or is withdrawn; or (iii) a competing offer for the entire issued and to be issued share capital of Clipper becomes or is declared unconditional or, if preceding by way of scheme of arrangement, becomes effective, and will remain binding in the event that a higher competing offer for Clipper is made.

A copy of the form of undertaking by the Supporting Shareholders is included herein as Exhibit 10.02 and is incorporated herein by reference. The foregoing description of the undertakings by the Supporting Shareholders is qualified in its entirety by reference to the full text thereof.

Bridge Credit Agreement

The Bridge Credit Agreement provides for a £800 million unsecured term facility that may be borrowed by the Company in multiple draws beginning on the date that the Acquisition is consummated and thereafter during the commitment period of the Bridge Credit Agreement, subject to the satisfaction of certain customary conditions. The Bridge Credit Agreement provides that, subject to certain exceptions, net cash proceeds received by the Company from asset sales and debt and equity issuances shall result in mandatory prepayments or commitment reductions under the Bridge Credit Agreement. The proceeds of borrowings under the Bridge Credit Agreement may be used to finance, among other things, the Acquisition, the Company's incurrence, redemption, replacement or refinancing of indebtedness in connection with the Acquisition and to pay related fees and expenses.

Loans under the Bridge Credit Agreement will be available in Pounds Sterling. Loans under the Bridge Credit Agreement will bear interest at a fluctuating rate per annum equal to the Daily Simple SONIA Rate (as defined in the Bridge Credit Agreement), plus an applicable margin calculated based on the Company's credit ratings.

The Bridge Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default customary for unsecured financings of this type, including negative covenants that, among other things limit the ability of the Company and its subsidiaries to incur liens, limit the ability of the Company to make certain fundamental changes and limit the ability of certain of its subsidiaries to incur indebtedness, in each case subject to a number of important exceptions and qualifications. In addition, the Bridge Credit Agreement requires the Company, beginning with the last day of the first full fiscal quarter following the initial funding of loans under the Bridge Credit Agreement, to maintain a consolidated leverage ratio less than or equal to a specified maximum consolidated leverage ratio.

A copy of the Bridge Credit Agreement is included herein as Exhibit 10.02 and is incorporated herein by reference. The foregoing description of the Bridge Credit Agreement is qualified in its entirety by reference to the full text thereof.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description of the Bridge Credit Agreement set forth in Item 1.01 above are incorporated into this Item 2.03 by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The information under Item 1.01 of this Current Report on Form 8-K with respect to the portion of consideration payable in Company Shares pursuant to the Acquisition is incorporated herein by reference. The Company Shares to be issued as consideration for the Acquisition will be issued to Clipper shareholders in reliance on the exemption from registration provided by Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act").

Item 8.01. Other Events.

Notice to Shareholders Regarding UK Disclosure Requirements

The Company directs the attention of its shareholders to certain disclosure requirements applicable to the Acquisition.

The relevant disclosure requirements are set out in Rule 8 of the Code, which is published and administered by the Panel. In particular, Rule 8.3 of the Code requires that any person who is interested (directly and indirectly) in 1% or more of any class of relevant securities of any party to the offer period must make (a) an "Opening Position Disclosure" and (b) a "Dealing Disclosure" if they deal in any relevant security of any party to the offer during the offer period. The Company's ordinary shares are relevant securities for the purposes of this offer period.

Further information about the Panel's disclosure regime is available at: <http://www.thetakeoverpanel.org.uk/disclosure>. If a Company shareholder has any questions on these disclosure requirements, the Panel's Market Surveillance Unit can be contacted on +44 (0)20 7638 0129.

Forward-Looking Statements

This Current Report on Form 8-K (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition and other information published by the Company and Clipper include statements which are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the US Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including statements with respect to the financial condition, strategies, results of operations and businesses of the Company and Clipper and their respective groups and certain plans and objectives with respect to the Enlarged Group, including, without limitation the Company's and Clipper's 2022 financial targets for organic revenue growth, adjusted EBITDA, depreciation and amortization expense and net capital expenditures and the expected run rate cost synergies for the Enlarged Group. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "would," "should," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Factors that might cause or contribute to a material difference include, but are not limited to, the risks discussed in the Company's filings with the SEC and the following: the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; economic conditions generally; supply chain challenges, including labor shortages; competition and pricing pressures; the Company and/or Clipper's ability to align the Company and/or Clipper's investments in capital assets, including equipment, service centers and warehouses, to their respective customers' demands; the Company and/or Clipper's ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; acquisitions may be unsuccessful or result in other risks or developments that adversely affect the Company and/or Clipper's financial condition and results; the Company and/or Clipper's ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; the Company and/or Clipper's ability to raise debt and equity capital; litigation; labor matters, including the Company and/or Clipper's ability to manage its subcontractors, and risks associated with labor disputes at the Company and/or Clipper's customers and efforts by labor organizations to organize its employees; risks associated with defined benefit plans for the Company and/or Clipper's current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; issues related to the Company and/or Clipper's intellectual property rights; governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; natural disasters, terrorist attacks or similar incidents; a material disruption of the Company and/or Clipper's operations; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; the impact of potential cyber-attacks and information technology or data security breaches; the inability to implement technology initiatives successfully; the expected benefits of the Acquisition, and uncertainties regarding the Acquisition, including the risk that the Acquisition will not produce the desired benefits; a determination by a tax authority that the distribution or certain related Acquisition on transactions should be treated as taxable transactions; expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed estimates; and the impact of the separation on the Company's businesses, operations, relationships with customers, suppliers, employees and other business counterparties, and the risk that the separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on the Company's resources, systems, procedures and controls, disruption of ongoing business, and diversion of management's attention from other business concerns. All forward-looking statements set forth in this Announcement are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or its business or operations. Forward-looking statements set forth in this Announcement speak only as of the date hereof, and the Company does not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

No Offer or Solicitation

The information contained in this Current Report on Form 8-K is for information purposes only and not intended to and does not constitute, or form any part of, an offer to sell or the solicitation of an offer to subscribe for an invitation to subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance, subscription or transfer of securities in any jurisdiction in contravention of applicable law or regulation. In particular, this Current Report on Form 8-K is not an offer of securities for sale in the United States. No offer of securities shall be made in the United States absent registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. Any securities issued as part of the Acquisition are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the Securities Act. The Acquisition will be made solely by means of the Scheme Document to be published by Clipper in due course, or (if applicable) pursuant to an offer document to be published by the Company, which (as applicable) would contain the full terms and conditions of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in such document(s). If the Company ultimately seeks to implement the Acquisition by way of a takeover offer, that offer will be made in compliance with applicable US laws and regulations.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Title or Description
2.1	Rule 2.7 Announcement
2.2	Cooperation Agreement
10.01	Form of Deed of Irrevocable Undertaking
10.02	Bridge Credit Agreement
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 1, 2022

GXO Logistics, Inc.

By: /s/ Baris Oran
Baris Oran
Chief Financial Officer

IMPLIED PREMIA AND VALUATION MULTIPLES

- Based on the value of 920 pence per Clipper Share, the Acquisition represents:
 - a premium of 49.1 per cent. to Clipper's share price of 617 pence at the close of business on 27 January 2022, the last business day before GXO's proposal was made to Clipper;
 - a premium of 31.7 per cent. to 699 pence, being the 3-month average volume weighted price per Clipper Share up to 18 February 2022, the last business day before Clipper announced it had reached agreement on the key terms of a possible cash and share offer from GXO;
 - a premium of 18.4 per cent. to Clipper's share price of 777 pence at the close of business on 18 February 2022; and
 - an implied enterprise value / 2022 adjusted EBIT (IAS 17 basis) multiple of 13.6x when factoring in full annual run-rate cost synergies and 27.0x pre-synergies.
- Based on GXO's closing share price of US\$84.38 and the USD/GBP exchange rate of 0.7455 on 25 February 2022 (being the last business day prior to this Announcement (the "Last Practicable Date")), the terms of the Acquisition value each Clipper Share at 916 pence, valuing Clipper's existing issued and to be issued share capital at approximately £961 million on a fully diluted basis and representing a premium of 17.9 per cent. to Clipper's share price of 777 pence at the close of business on 18 February 2022, the last business day before Clipper announced it had reached agreement on the key terms of a possible cash and share offer from GXO.

COMPELLING STRATEGIC AND FINANCIAL RATIONALE

The Acquisition is a compelling strategic combination which significantly increases the opportunities for both businesses in the high-growth e-commerce/e-fulfilment area:

- Enhances GXO's position as a successful, innovative and well-capitalised pure-play logistics leader, in particular in the fast growing e-commerce/e-fulfilment area.
 - Adds to GXO's geographic presence in Germany and Poland as well as vertical presence in life sciences, which are key growth areas.
 - Combines highly complementary service offerings, customer portfolios, and footprints in the UK and Europe.
 - Strengthens the combined business's technology returns and repairs expertise.
 - Brings together two natural partners with a very strong cultural fit; GXO is committed to protecting and building on Clipper's entrepreneurial approach for the benefit of both businesses and their employees.
 - Offers significant productivity opportunities, taking advantage of technology and infrastructure overlap in the joint enterprise.
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- Enhances GXO's ESG leadership position given Clipper's reverse logistics and circular economy offerings and its robust internal targets to minimise carbon emissions and waste.
- Unlocks very significant synergies:
 - Annualised EBIT run rate cost synergies of £36 million (pre-tax) expected, based on procurement, and other operational overlap that can be realised by the end of the third year post completion of the Acquisition;
 - Compelling revenue synergies expected as a result of the significant opportunity to cross sell capabilities across a large, combined customer base;
 - While synergies are expected from combining operations and support functions as well as functional support areas, GXO expects overall headcount will increase long-term as part of ongoing efforts to grow its UK operations.
- GXO expects the Acquisition to be immediately enhancing to underlying earnings per share, excluding synergies, and on a pro-forma basis double digit enhancing including full run-rate cost synergies.
- GXO expects the Acquisition to cover its cost of capital by the end of the third year post completion of the Acquisition.
- GXO believes the structure of the Acquisition will allow GXO to maintain its investment grade credit rating.

IRREVOCABLE UNDERTAKINGS

- GXO has received irrevocable undertakings (including from Steve Parkin, Executive Chairman of Clipper, as well as the other Clipper Shareholder Directors) to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by GXO) in respect of 23,893,180 Clipper Shares representing, in aggregate, approximately 23.3 per cent. of the existing issued ordinary share capital of Clipper. These irrevocable undertakings remain binding in the event of a competing offer.
 - GXO has received irrevocable undertakings from certain Clipper Shareholders (including from Steve Parkin, Executive Chairman of Clipper as well as certain other Clipper Shareholder Directors) to elect to receive 50 per cent. of their consideration in the form of New GXO Shares in respect of 23,889,180 Clipper Shares representing, in aggregate, approximately 23.3 per cent. of the existing issued ordinary share capital of Clipper. These irrevocable undertakings remain binding in the event of a competing offer. As a result of these elections, there will be more cash available, in the aggregate, to other Scheme Shareholders who elect to vary the proportions in which they receive New GXO Shares and cash in respect of their Scheme Shares under the Mix and Match Facility than as compared to if these undertakings had not been made. Please refer to paragraph 18 of this Announcement for further details on the Mix and Match Facility.
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UNANIMOUS RECOMMENDATION OF THE CLIPPER DIRECTORS

- The directors of Clipper, who have been so advised by Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Numis is providing independent financial advice to the directors of Clipper for the purposes of Rule 3 of the Code. Accordingly, the directors of Clipper intend to recommend unanimously Clipper Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by GXO) as the Clipper Shareholder Directors have irrevocably undertaken to do in respect of their own Clipper Shares. In providing its advice, Numis has taken into account the commercial assessments of the directors of Clipper.
- Steve Parkin, the Executive Chairman of Clipper is committed to helping ensure a smooth transition.

TRANSACTION STRUCTURE

- The Acquisition will include a Mix and Match Facility, which will allow Scheme Shareholders to elect to vary the proportions in which they receive New GXO Shares and cash. The Mix and Match Facility will not change the total number of New GXO Shares to be issued or the maximum amount of cash that will be paid under the terms of the Acquisition.
- GXO intends prior to completion of the Acquisition to establish a CREST depository interest dealing facility for the benefit of the Clipper Shareholders who hold their Clipper Shares in uncertificated form so as to facilitate the trading of the New GXO Shares from outside the United States.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will be sent to Clipper Shareholders and (for information only) to holders of options granted under the Clipper Share Schemes as soon as practicable and, in any event, within 28 days of the date of this Announcement (unless Clipper and GXO otherwise agree, and the Panel consents, to a later date).
- Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective in the summer of 2022.

Commenting on today's announcement, Steve Parkin, Executive Chairman of Clipper said:

"As founder of Clipper, I am incredibly grateful to all the employees, customers and shareholders who have supported our company through this journey, from our IPO in 2014 at 100p, and enabled us to become a highly-valued leader in e-logistics and other high value-added logistics services. The offer from GXO presents a compelling opportunity for us to continue to grow our service offering, by partnering with a global, technology-driven logistics company. We have accomplished so much, and I am confident the combination of our two companies means the best days are ahead."

In recommending this offer to shareholders, the directors of Clipper believe it is in the best interests of all the company's stakeholders. The offer from GXO gives shareholders the opportunity to receive a high portion of cash at a significant premium to the prevailing share price and a premium to the all-time closing high, whilst also being given the opportunity to benefit in the potential future upside in the combined group through the element of share consideration. It will give Clipper an enhanced opportunity to develop its business as part of a larger global group with the resources to capitalise on attractive market opportunities."

Commenting on today's announcement, Malcolm Wilson, Chief Executive Officer of GXO, said:

"Together, GXO and Clipper have a one-of-a kind growth opportunity, building on our shared commitment to a top-quality customer experience, innovation and industry leading expertise. Steve Parkin and the Clipper team have created an exceptional business with outstanding capabilities. We will build on it. Our combined complementary customer portfolios and breadth of offerings in high growth areas will affirm GXO's position as a leading pure-play logistics provider. We'll strengthen our returns and repairs capabilities, expand our e-commerce customer base, and bolster our presence in key growth areas, including Germany, Poland and life sciences, and accelerate the expansion of GXO Direct to Europe.

We believe our very strong cultural fit, deep familiarity with local industry dynamics and commitment to invest and grow in highly attractive markets will enable a seamless integration. On behalf of our more than 100,000 GXO team members, including 33,000 in the UK, I look forward to welcoming Clipper's talented people to our organization. We're very excited about the tremendous possibilities ahead and the value we can create for customers, employees, shareholders and the communities we serve."

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information contained in this summary and the following announcement. Appendix 3 contains details of the irrevocable undertakings received by GXO. Appendix 4 to this Announcement contains the GXO Quantified Financial Benefits Statement, together with the reports from KPMG LLP, GXO's reporting accountants and Rothschild & Co, GXO's lead financial adviser as required under Rule 28.1(a) of the Code. Appendix 5 contains the definitions of certain terms used in this summary and the following announcement.

For the purposes of Rule 28 of the Code, the GXO Quantified Financial Benefits Statement contained in Appendix 4 to this Announcement is the responsibility of GXO and the GXO Directors. Any statement of intention, belief or expectation for the Enlarged Group following the Effective Date is an intention, belief or expectation of the GXO Directors and not of the Clipper Directors.

Enquiries

GXO

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Clipper Shareholder Helpline

Please contact Equiniti Limited between 8.30 a.m. and 5.30 p.m. Monday to Friday (except United Kingdom public holidays), on +44 (0) 371 384 2050 (calls are charged at the standard geographic rate and will vary by provider; calls from outside the United Kingdom will be charged at the applicable international rate).

Freshfields Bruckhaus Deringer LLP is acting as legal adviser to GXO in connection with the Acquisition. Wachtell Lipton Rosen & Katz is acting as legal adviser to GXO in connection with debt finance aspects of the Acquisition. Hogan Lovells International LLP is acting as legal adviser to Clipper in connection with the Acquisition.

Further information

This Announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Clipper in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition and how to make an election under the Mix and Match Facility. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

Please be aware that addresses, electronic addresses and certain other information provided by Clipper Shareholders, persons with information rights and other relevant persons for the receipt of communications from Clipper may be provided to GXO during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

*N.M. Rothschild & Sons Limited (**Rothschild & Co**), which is authorised and regulated in the UK by the FCA, is acting exclusively for GXO and no-one else in connection with the Acquisition and will not be responsible to anyone other than GXO for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.*

*Barclays Bank PLC, acting through its investment bank (**Barclays**), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for GXO and no one else in connection with the Acquisition and will not be responsible to anyone other than GXO for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Acquisition or any other matter referred to in this Announcement.*

*Numis Securities Limited (**Numis**), which is authorised and regulated in the UK by the FCA, is acting exclusively for Clipper and no-one else in connection with the Acquisition and will not be responsible to anyone other than Clipper for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.*

Overseas jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom, to vote their Clipper Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England. Unless otherwise determined by GXO or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made available directly or indirectly in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by use of mail or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.

Copies of this Announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of US tender offer rules. The financial information included in this Announcement and the Scheme documentation in relation to Clipper has been or will have been prepared in accordance with International Financial Reporting Standards (and also makes or will make use of alternative performance measures on the basis disclosed publicly by Clipper which are not defined by IFRS) and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with accounting principles generally accepted in the US. The financial information included in this Announcement and the Scheme documentation in relation to GXO has been or will have been prepared in accordance with US GAAP, except as otherwise specified therein. If GXO exercises its right to implement the acquisition of the Clipper Shares by way of a Takeover Offer or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act, such offer will be made in compliance with applicable US laws and regulations.

It may be difficult for US investors to enforce their rights and any claim arising out of the US federal securities laws, since Clipper is located in a non-US jurisdiction, and some or all of its officers and directors may be residents of a non-US jurisdiction. US investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The receipt of cash and New GXO Shares pursuant to the Acquisition by a US holder as consideration for the transfer of the US holder's Scheme Shares pursuant to the Scheme will be a taxable transaction for United States federal income tax purposes and may be further subject to tax under applicable US state and local tax laws. A US holder generally will recognize capital gain or loss on the disposition of Scheme Shares for the New GXO Shares and cash equal to the difference between (i) the amount realised on such disposition (i.e., the USD value of the sum of the cash and the fair market value of the New GXO Shares received by the US holder) and (ii) the US holder's adjusted tax basis in such disposed Scheme Shares. A U.S. holder's tax basis in the Scheme Shares generally will be the USD value of the amount paid by the U.S. Scheme Shareholders to purchase the Scheme Shares on the date of purchase. Each Clipper Shareholder is urged to consult an independent professional adviser regarding the tax consequences of the Acquisition and Scheme applicable to him or her, including, but not limited to (i) as a result of the US holder's status as other than an individual, (ii) the potential application of special tax rules with respect to gain recognized by a US holder upon a disposition of shares of a "passive foreign investment company," and (iii) eligibility for treaty relief to the extent of any withholding tax or other tax that may apply outside of the United States.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, GXO or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Clipper Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. Also, in accordance with normal UK practice and Rule 14e-5(b) of the US Exchange Act, Barclays will continue to act as a connected exempt principal trader in Clipper Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

This Announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. The securities referenced in this Announcement have not been registered under the US Securities Act, and may not be offered or sold in the United States absent registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. Any securities issued as part of the Acquisition (including the New GXO Shares) will be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the US Securities Act. Any Acquisition will be made solely by means of the Scheme Document published by Clipper. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in such document.

Cautionary Note Regarding Forward-Looking Statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition and other information published by GXO and Clipper include statements which are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the US Securities Act and Section 21E of the US Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including statements with respect to the financial condition, strategies, results of operations and businesses of GXO and Clipper and their respective groups and certain plans and objectives with respect to the Enlarged Group, including, without limitation, GXO’s and Clipper’s 2022 financial targets for organic revenue growth, adjusted EBITDA, depreciation and amortization expense and net capital expenditures and the expected run rate cost synergies for the Enlarged Group. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “would,” “should,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Factors that might cause or contribute to a material difference include, but are not limited to, the risks discussed in GXO’s filings with the SEC and the following: the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; economic conditions generally; supply chain challenges, including labour shortages; competition and pricing pressures; GXO and/or Clipper’s ability to align GXO and/or Clipper’s investments in capital assets, including equipment, service centres and warehouses, to their respective customers’ demands; GXO and/or Clipper’s ability to successfully integrate and realise anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; acquisitions may be unsuccessful or result in other risks or developments that adversely affect GXO and/or Clipper’s financial condition and results; GXO and/or Clipper’s ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; GXO and/or Clipper’s ability to raise debt and equity capital; litigation; labour matters, including GXO and/or Clipper’s ability to manage its subcontractors, and risks associated with labour disputes at GXO and/or Clipper’s customers and efforts by labour organizations to organize its employees; risks associated with defined benefit plans for GXO and/or Clipper’s current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; issues related to GXO and/or Clipper’s intellectual property rights; governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; natural disasters, terrorist attacks or similar incidents; a material disruption of GXO and/or Clipper’s operations; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; the impact of potential cyber-attacks and information technology or data security breaches; the inability to implement technology initiatives successfully; the expected benefits of the Acquisition, and uncertainties regarding the Acquisition, including the risk that the Acquisition will not produce the desired benefits; a determination by a tax authority that the distribution or certain related Acquisition on transactions should be treated as taxable transactions; expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed estimates; and the impact of the separation on GXO’s businesses, operations, relationships with customers, suppliers, employees and other business counterparties, and the risk that the separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on GXO’s resources, systems, procedures and controls, disruption of ongoing business, and diversion of management’s attention from other business concerns. All forward-looking statements set forth in this Announcement are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by GXO will be realised or, even if substantially realised, that they will have the expected consequences to or effects on us or its business or operations. Forward-looking statements set forth in this Announcement speak only as of the date hereof, and GXO does not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

Additional information for UK holders

To the extent that a UK holder of Scheme Shares receives cash as consideration for the transfer of their Scheme Shares under the Scheme, the transfer by a UK holder of those Scheme Shares will be treated as a disposal of the UK holder's Scheme Shares for the purposes of UK capital gains tax ("CGT") or UK corporation tax on chargeable gains (as applicable). Depending on the UK holder's particular circumstances (including the UK holder's base cost in their holding of Scheme Shares and the availability of exemptions, reliefs and/or allowable losses), the receipt of cash pursuant to the Acquisition by a UK holder as consideration for the transfer of the UK holder's Scheme Shares may give rise to a liability to CGT or UK corporation tax on chargeable gains or, alternatively, an allowable capital loss.

To the extent that a UK holder of Scheme Shares receives New GXO Shares as consideration for the transfer of their Scheme Shares under the Scheme, the transfer by a UK holder of those Scheme Shares should not be treated as a disposal of that UK holder's Scheme Shares for the purposes of UK CGT or UK corporation tax on chargeable gains (as applicable). Accordingly, any gain or loss which would have arisen on a disposal of their Scheme Shares will (to the extent that they receive New GXO Shares as consideration under the Scheme) be "rolled-over" into the New GXO Shares that they receive and those New GXO Shares will be treated as the same asset as their Scheme Shares, acquired at the same time as their Scheme Shares and for the same acquisition cost. A subsequent disposal of New GXO Shares by such UK holder may, depending on individual circumstances, give rise to a liability to UK CGT or UK corporation tax on chargeable gains (as applicable). Any chargeable gain or allowable loss on disposal (including redemption) of the New GXO Shares should be calculated taking into account the allowable original cost to the UK holder of acquiring the relevant Scheme Shares.

No UK stamp duty or SDRT will be payable by Clipper Shareholders on the transfer of their Scheme Shares under the Scheme.

No profit forecasts or estimates

The FY22 and FY23 Clipper Profit Forecasts are profit forecasts for the purposes of Rule 28 of the Code. The FY22 Clipper Profit Forecast, the assumptions and basis of preparation on which the FY22 Clipper Profit Forecast is based and the Clipper Directors' confirmation, as required by Rule 28.1 of the Code, are set out in paragraph 10 of this Announcement. The directors of Clipper have confirmed that the FY23 Clipper Profit Forecast is no longer valid, further details of which are set out in paragraph 10 of this Announcement.

Other than in respect of the FY22 and FY23 Clipper Profit Forecasts, no statement in this Announcement is intended as, or is to be construed as, a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per ordinary share, for Clipper, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Clipper. For the purposes of Rule 28 of the Code the FY22 Clipper Profit Forecast and the explanation for the FY23 Clipper Profit Forecast no longer being valid as contained in this Announcement are the responsibility of Clipper and the Clipper Directors.

GXO Quantified Financial Benefits Statement

The statements in the GXO Quantified Financial Benefits Statement relate to future actions and circumstances which by their nature, involve risks, uncertainties and contingencies. The synergies and cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Other than in respect of the FY22 Clipper Profit Forecast, no statement in the GXO Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast or interpreted to mean that the Enlarged Group's earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of GXO and/or Clipper for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the GXO Quantified Financial Benefits Statement is the responsibility of GXO and the GXO Directors.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website and hard copies

A copy of this Announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on GXO's website at <https://www.gxo.com/information-regarding-possible-offer-for-clipper-logistics-plc/> and Clipper's website at <https://www.clippergroup.co.uk/possible-offer/>. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

Clipper Shareholders may request a hard copy of this Announcement by contacting Equiniti during business hours on +44 (0) 371 384 2050 or by submitting a request in writing to Registrar at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

- a premium of 18.4 per cent. to Clipper's share price of 777 pence at the close of business on 18 February 2022; and
- an implied enterprise value / 2022 adjusted EBIT (IAS 17 basis) multiple of 13.6x when factoring in full annual run-rate cost synergies and 27.0x pre-synergies.

Based on GXO's closing share price of US\$84.38 and the USD/GBP exchange rate of 0.7455 on 25 February 2022 (being the last business day prior to this Announcement (the "Last Practicable Date")), the terms of the Acquisition value each Clipper Share at 916 pence, valuing Clipper's existing issued and to be issued share capital at approximately £961 million on a fully diluted basis and representing a premium of 17.9 per cent. to Clipper's share price of 777 pence at the close of business on 18 February 2022, the last business day before Clipper announced it had reached agreement on the key terms of a possible cash and share offer from GXO.

Through the share element of the consideration, Clipper Shareholders will participate in the potential future value creation in the Enlarged Group.

If, after the date of this Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Clipper Shares, GXO reserves the right to reduce the value implied under the terms of the Acquisition at such date by the amount of such dividend and/or distribution and/or return of capital. In such circumstances, to the extent possible, the cash component of the consideration would be reduced by an amount up to the amount of such dividend and/or distribution and/or return of capital.

The Acquisition will include a Mix and Match Facility, allowing Scheme Shareholders to elect to vary the proportions in which they receive New GXO Shares and cash in respect of their Scheme Shares. However, the total number of New GXO Shares to be delivered pursuant to the Acquisition and the maximum aggregate amount of cash to be paid pursuant to the Acquisition will not be varied as a result of elections made under the Mix and Match Facility. Please refer to paragraph 18 of this Announcement for further details on the Mix and Match Facility.

The New GXO Shares will be issued credited as fully paid and will rank *pari passu* in all respects with shares of GXO common stock issued and outstanding at the time the New GXO Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the Effective Date. The New GXO Shares will be authorised for listing on the New York Stock Exchange subject to official notice of issuance.

3. Recommendation

The directors of Clipper, who have been so advised by Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Numis is providing independent financial advice to the directors of Clipper for the purposes of Rule 3 of the Code. Accordingly, the directors of Clipper intend to recommend unanimously Clipper Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by GXO) as the Clipper Shareholder Directors have irrevocably undertaken to do in respect of their own Clipper Shares (representing approximately 15.8 per cent. of the issued ordinary share capital of Clipper). In providing its advice, Numis has taken into account the commercial assessments of the directors of Clipper.

Numis has given and not withdrawn its consent to the inclusion in this Announcement of reference to its advice to the directors of Clipper in the form and context in which they appear.

4. Background to and reasons for the Acquisition

The GXO Board believes the combination with Clipper will create significant shareholder value.

GXO has observed closely, and been consistently impressed by, Clipper's development over a number of years and believes Clipper has built an exceptional reputation in end-to-end e-commerce logistics solutions for the retail industry. Through innovation and close collaboration with its customers, Clipper has established outstanding capabilities across e-fulfilment, returns management, repairs, refurbishment and resale, providing bespoke solutions to ensure its partners meet their own commitments to their end consumers.

The Acquisition is a compelling strategic combination which significantly increases the opportunities for both businesses in the high-growth e-commerce/e-fulfilment area.

Materially enhances service offering across complementary geographies and end markets

The GXO Board believes the combination will accelerate significantly top-line growth due to exciting cross-selling opportunities.

Combining GXO's and Clipper's complementary service offerings and capabilities, including its technology returns and repairs expertise, enables GXO to enhance and strengthen its proposition to an expanded universe of clients in the fast-growing e-commerce/e-fulfilment area.

Additionally, the combination will expand GXO's geographic presence in Germany and Poland and vertical presence in life sciences, which are key growth areas.

The highly complementary service offerings, customer portfolios, and footprints in the UK and Europe will enable significant cross-selling of capabilities across a larger combined customer base.

Highly complementary operating platforms and a natural cultural fit

The combination offers significant productivity opportunities, taking advantage of certain operational overlap.

The GXO Board believes that bringing together two natural partners with a very strong cultural fit will ensure a smooth and rapid integration process and an excellent foundation for future accelerated growth. GXO is committed to fostering Clipper's entrepreneurial approach for the benefit of the Enlarged Group and its employees and intends to safeguard the existing employment rights, including pension rights of Clipper employees.

Clipper is proud to have established strong connections with local community organisations and universities. These are highly valuable to the wider Clipper Group and will provide the Enlarged Group with access to wider labour pools and to more effectively manage any talent shortages.

Strengthens ESG leadership position

The Acquisition enhances GXO's ESG leadership position given Clipper's reverse logistics and circular economy offerings and its robust internal targets to minimise carbon emissions and waste.

Creates significant synergies, financial benefits and shareholder value

The Acquisition unlocks very significant synergies. The GXO Board expects:

- Annualised EBIT run rate cost synergies of £36 million (pre-tax), based on procurement, and other operational overlap that can be realised by the end of the third year post completion of the Acquisition; and
- Compelling revenue synergies as a result of the significant opportunity to cross sell capabilities across a large, combined customer base.

While synergies are expected from combining operations and support functions as well as functional support areas, GXO expects overall headcount will increase long-term as part of ongoing efforts to grow its UK operations.

As a result, the GXO Board expects the Acquisition:

- to be immediately enhancing to underlying earnings per share, excluding synergies, and on a pro-forma basis double digit enhancing including full run-rate cost synergies; and
- to cover GXO's cost of capital by the end of the third year post completion of the Acquisition.

In addition, GXO believes the structure of the Acquisition will allow GXO to maintain its investment grade credit rating.

5. Background to and reasons for the recommendation

Since the initial public offering of Clipper in May 2014, Clipper has undergone a period of significant transformation and growth. Clipper's reported revenues have grown from £201 million for the year to 30 April 2014 to £696 million for FY21 and underlying EBIT increased from £9.6 million to £31.4 million (on an IAS 17 basis) over the same period. This was driven by strong organic growth supported by carefully targeted acquisitions to add complementary business services and geographies. This strong financial performance has resulted in a significant increase in Clipper's market capitalisation from £100 million at the time of its initial public offering to £796 million on 18 February 2022, the last business day before Clipper announced it had reached agreement on the key terms of a possible cash offer from GXO.

Through the Covid pandemic, Clipper has demonstrated its ability and agility and the robustness of its business model to deliver growth. Clipper's full end to end range of services within e-commerce has enabled it to capitalise on the continued shift to e-commerce both in the UK and across Europe.

The UK is one of the most dynamic geographies in Europe for e-commerce, creating a number of world-leading online retailers and service providers. While the UK economy is still growing strongly, it is the Clipper Directors' belief that the greatest opportunity for Clipper lies in growing its presence in Europe and entering North America. The Clipper Directors consider that such growth is achievable on a standalone basis but not without risk. Organic growth in these geographies will require meaningful investments in technology, operations and people. Major overseas acquisitions carry greater transaction execution and integration risk when compared with Clipper's acquisitions to date and may require funding through either significantly increased levels of debt or through dilutive equity issuance. Furthermore, it may take several years before the benefits of such investments become apparent and for their value to be reflected in Clipper's share price. Over the last 12 months Clipper has assessed a number of potential acquisition opportunities in North America, including one specific larger opportunity where Clipper reached the final round of a competitive auction process. The potential transaction would have constituted a Class 1 transaction for the purposes of the listing rules which in turn requires a number of additional workstreams that placed it at a strategic disadvantage versus private trade buyers or private equity particularly in terms of the timing and deliverability of Clipper's offer. The Clipper Directors believe it is critical to enter North America through M&A, and that any acquisition must have sufficient scale to provide the platform to offer national distribution immediately. To date Clipper has not been successful in entering the North American space through M&A and there can be no certainty that it will be able to achieve this over the medium term.

The Clipper Directors believe that a combination with GXO strengthens Clipper's UK and European offering and addresses its international strategic ambitions immediately, which will be for the benefit of Clipper stakeholders as a whole.

Whilst the Clipper Directors remain confident that Clipper's strategy can deliver attractive returns for Clipper Shareholders as an independent company, they recognise that there are risks to, as well as uncertainty as to the timing and the delivery of, these returns.

The Clipper Directors also recognise the limited liquidity of Clipper Shares makes it challenging for Clipper Shareholders to monetise their holdings should they so wish. The Offer provides the opportunity to realise a large proportion of Clipper Shareholders' investment at a compelling valuation in cash, whilst also having the opportunity to benefit in the potential future upside of the Enlarged Group through the New GXO Share component.

Based on the value of 920 pence per Clipper Share, the Acquisition represents:

- a premium of 49.1 per cent. to Clipper's share price of 617 pence at the close of business on 27 January 2022, the last business day before GXO's proposal was made to Clipper;
- a premium of 31.7 per cent. to 699 pence, being the 3-month average volume weighted price per Clipper Share up to 18 February 2022, the last business day before Clipper announced it had reached agreement on the key terms of a possible cash and share offer from GXO;
- a premium of 18.4 per cent. to Clipper's share price of 777 pence at the close of business on 18 February 2022; and
- an implied enterprise value / 2022 adjusted EBIT (IAS 17 basis) multiple of 13.6x when factoring in full annual run-rate cost synergies and 27.0x pre-synergies.

The Clipper Directors note that the implied enterprise value / 2022 adjusted EBIT (IAS 17 basis) multiple pre-synergies is at a highly attractive level when compared to other relevant comparable transactions in the logistics sector.

In addition to the financial terms of the Acquisition, in its evaluation of GXO as a suitable owner of Clipper from the perspective of all stakeholders, the Clipper Directors have also taken into account GXO's intentions for the business, management and employees and other stakeholders of Clipper. The Clipper Directors welcome GXO's intention that, following completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all Clipper management and employees will be fully safeguarded in accordance with applicable law. Furthermore, GXO is committed to fostering Clipper's entrepreneurial approach for the benefit of both businesses which is core to Clipper's culture and success.

The Clipper Board notes that GXO has stated that the Enlarged Group is expected to fully realise pre-tax run-rate cost synergies of approximately £36 million by the end of the third year post completion of the Acquisition. The Clipper Directors are reassured that GXO will be adopting a "best of both" approach in several areas including in operations, and believe that the Enlarged Group will provide existing Clipper management and employees with attractive opportunities to succeed as part of a larger global business.

The Clipper Director's welcome GXO's confirmation that they recognise the importance of R&D and technology to Clipper's business and look forward to working with GXO to implement "best in class" practices in the Enlarged Group.

Given that detailed information to formulate comprehensive plans or intentions regarding the impact of the Acquisition on Clipper is not yet available, the Clipper Directors are unable to express a more detailed opinion on the impact of the Acquisition on Clipper management, employees and offices, save for as set out in paragraph 11 of this document.

Accordingly, following careful consideration of the above factors, the Clipper Directors unanimously recommend the Offer to Clipper Shareholders and unanimously believe that the Clipper Shareholders should have the opportunity to approve the Acquisition, as the Clipper Directors have committed to do in respect of their Clipper Shares (where applicable).

Steve Parkin, the Executive Chairman of Clipper, is committed to helping ensure a smooth transition.

6. Irrevocable undertakings

GXO has received irrevocable undertakings (including from Steve Parkin, Executive Chairman of Clipper, as well as the other Clipper Shareholder Directors) to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by GXO) in respect of 23,893,180 Clipper Shares, representing approximately 23.3 per cent. of the existing issued ordinary share capital. This includes:

- (a) undertakings from the Clipper Shareholder Directors in respect of their entire holdings amounting to 16,172,752 Clipper Shares representing approximately 15.8 per cent. of Clipper's existing issued ordinary share capital; and
- (b) undertakings from George Turner, Gurnaik Chima and Sean Fahey in respect of their entire holdings amounting to 7,720,428 Clipper Shares representing approximately 7.5 per cent. of Clipper's existing issued ordinary share capital.

The irrevocable undertakings will cease to be binding only if:

- (a) GXO announces it does not intend to make or proceed with the Acquisition;
 - (b) the Scheme lapses or is withdrawn; or
 - (c) a competing offer for the entire issued and to be issued share capital of Clipper becomes or is declared unconditional or, if proceeding by way of scheme of arrangement, becomes effective, and will remain binding in the event that a higher competing offer for Clipper is made.
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GXO has received irrevocable undertakings (including from Steve Parkin, Executive Chairman of Clipper as well as certain other Clipper Shareholder Directors) to elect to receive 50 per cent. of their consideration in the form of New GXO Shares in respect of 23,889,180 Clipper Shares representing, in aggregate, approximately 23.3 per cent. of the existing issued ordinary share capital of Clipper. These irrevocable undertakings remain binding in the event of a competing offer. As a result of these elections, there will be more cash available, in the aggregate, to other Scheme Shareholders who elect to vary the proportions in which they receive New GXO Shares and cash in respect of their Scheme Shares under the Mix and Match Facility than as compared to if these undertakings had not been made. Please refer to paragraph 18 of this Announcement for further details on the Mix and Match Facility.

Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

7. Information relating to GXO

GXO is the largest pure-play contract logistics provider in the world and an innovator in the logistics industry. It was a spin-off from XPO Logistics, Inc in August 2021 and is now separately listed on the New York Stock Exchange with a market capitalisation of US\$9.7 billion as at close of business on 25 February 2022.

GXO provides high-value-add warehousing and distribution, order fulfilment, e-commerce, reverse logistics, and other supply chain services differentiated by its ability to deliver technology-enabled, customised solutions at scale. GXO's revenue is diversified across numerous verticals and customers, including many multinational corporations.

GXO's customers rely on it to move their goods with high efficiency through their supply chains – from the moment inbound goods arrive at GXO's logistics sites, through fulfilment and distribution and, in an increasing number of cases, the management of returned products. GXO's customer base includes many blue-chip leaders in sectors that demonstrate high growth or durable demand over time, with significant growth potential through customer outsourcing of logistics services.

As part of its growth strategy, GXO intends to develop additional business in consumer and other verticals where it already has deep expertise, prominent customer relationships and a strong track record of successful performance. GXO also intends to expand into new verticals by leveraging its capacity and technological strengths, and by marketing the benefits of its platform for warehouse operations. GXO uses this technology to manage advanced automation, labour productivity, safety and the complex flow of goods within sophisticated logistics environments.

GXO is an industry leader in ESG with a "AA" rating from MSCI. Its environmental targets include 100 per cent. carbon neutral by 2040 and a 30 per cent. greenhouse gas emission reduction by 2030 versus 2019.

During calendar year 2021, GXO won contracts with approximately US\$5 billion in lifetime contract value, which are expected to add approximately US\$830 million of incremental revenue in 2022. At December 2021, its pipeline reached an all-time high of US\$2.5 billion, of which 49 per cent. in e-commerce. Growth in e-commerce accelerated during the fourth quarter of 2021, with e-commerce revenue for the quarter growing by 45 per cent. year-on-year (compared to 22 per cent. for the third quarter) and reverse logistics revenue for the quarter growing by 28 per cent. year-on-year (compared to 21 per cent. for the third quarter).

Over the course of 2021, GXO successfully increased the proportion of revenue from open book contracts from 33 per cent. to 38 per cent., enabling improved return on capital.

For the year ended 31 December 2021, GXO generated revenue of US\$7.9 billion and net income attributable to common shareholders of US\$153 million. Additional information on GXO's latest financial results can be found at <https://investors.GXO.com/>.

As at the close of business on 24 February 2022, GXO's issued share capital consisted of 114,716,740 common stock, par value \$0.01 per share. The International Securities Identification Number for GXO's common stock is US36262G1013.

8. Information relating to Clipper

Clipper, which is listed on the premium segment of the Main Market of the London Stock Exchange, is an omni-channel retail logistics specialist, which provides value-added, consultancy-led services to its blue-chip client base. Clipper is a UK leader in its areas, with a long-standing customer base in e-fulfilment, fashion, and high-value logistics. Clipper is highly regarded by its customer base for the innovative and high-quality logistics solutions it provides, putting the customer at the forefront of its thinking. Clipper's logistics service offerings broadly comprise of e-fulfilment and returns management services, high-value product warehousing and distribution, and retail logistics services. Through its full end-to-end logistics service, Clipper is well positioned to enable its retail customers to accelerate online penetration as well as continuing to support retailers' off-line presence.

For the six months ended 31 October 2021, 68 per cent. of Clipper's logistics revenue was generated from e-fulfilment and returns management activities and for FY21, 93 per cent. of revenue within UK logistics was derived from open book or minimum volume guarantee contracts, giving the business a high level of contractual certainty.

Clipper has developed specialist services to support its customers in their ever-complex supply chains and to ensure that product is ready for sale in the most efficient and cost-effective manner. It has developed a high value-add electronic product repair capability, which Clipper complemented with the acquisition of Netherlands-based CE Repair as announced on 29 November 2021.

In addition to its presence in the UK, Clipper has an increasing presence in mainland Europe, with operations in Poland, Germany, the Republic of Ireland, the Netherlands and Belgium.

For FY21, Clipper generated revenue of £696 million, underlying EBITDA of £43 million on an IAS 17 basis and £82 million on an IFRS 16 basis, underlying EBIT of £31 million on an IAS 17 basis and £40 million on an IFRS 16 basis. As at 31 October 2021, Clipper had net debt of £11 million on an IAS 17 basis.

9. Synergies

The GXO Directors expect pre-tax run-rate cost synergies for the Enlarged Group of approximately £36 million to be realised by the end of the third year post completion of the Acquisition. The principal sources of these synergies are as follows:

- approximately 54 per cent. from combining UK operations and support functions, including the removal of costs associated with Clipper's status as a listed company, in the UK;
- approximately 19 per cent. from combining operations in other geographies and support functions in those geographies;
- approximately 17 per cent. from fleet procurement and maintenance savings; and
- approximately 10 per cent. from other cost and procurement savings.

It is envisaged that the realisation of the identified cost synergies will result in non-recurring integration costs of approximately £30 million in aggregate over the first 3 years post completion of the Acquisition.

Potential areas of dis-synergy have also been considered and were determined by GXO Management to be immaterial for the analysis. The expected synergies will accrue as a direct result of the success of the Acquisition and would not be achieved on a standalone basis.

Accordingly, on the basis of the value of 920 pence per Clipper Share implied by the Exchange Ratio, the Acquisition implies:

- a total equity value of £965 million on a fully diluted basis;
- an enterprise value of £1,000 million;
- an enterprise value / 2022 adjusted EBIT (IAS 17 basis) multiple of 13.6x when factoring in full annual run-rate cost synergies and 27.0x pre-synergies.

In addition to these quantified cost synergies, the GXO Directors believe that significant further value can be created through additional opportunities, including revenue opportunities arising as a result of the creation of a combined business with a global footprint that more closely matches the footprint of its customers and their needs for innovative products.

These statements of identified synergies and estimated costs savings relate to future actions and circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated cost savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Code, these statements of potential quantified synergies are the responsibility of GXO in its capacity as offeror. Appendix 4 to this Announcement includes a copy of this Quantified Financial Benefits Statement and the supporting bases of belief. Appendix 4 also includes reports in connection with this Quantified Financial Benefits Statement from each of Rothschild & Co and KPMG LLP, as required by Rule 28 of the Code. Each of Rothschild & Co and KPMG LLP have given and not withdrawn their consent to the publication of their report in the form and context in which they are included.

These statements are not intended as a profit forecast and should not be interpreted as such.

10. Clipper Profit Forecast

On 7 June 2021 in its “Year End Trading update” announcement Clipper provided guidance in relation to FY22 and FY23 EBIT with reference to Clipper-compiled consensus published on the Clipper website immediately prior to that announcement:

- “Given the continued strong trading momentum and pipeline of contracts wins, **we expect EBIT (under both IAS 17 and IFRS 16) for FY22 and FY23 to be ahead of Company-compiled consensus** (<https://www.Clippergroup.co.uk/analyst-consensus/>) **by mid-single digit percentages in both years.**”

Immediately prior to the announcement on 7 June 2021 the Clipper compiled consensus included on the Clipper website for FY23 EBIT was £39.3m and £47.6m on an IAS 17 and IFRS 16 basis respectively. No subsequent references were made by Clipper as to its expectations for FY23 EBIT.

On 25 August 2021 in its “Final Results for the year ended 30 April 2021” announcement Clipper confirmed its prior guidance in relation to FY22:

- “The Group has made a strong start to the new financial year and is **trading in line with its recently upgraded guidance for FY22.**”

On 9 December 2021 in its “Interim Results for the six months to 31 October 2021” announcement Clipper confirmed its prior guidance in relation to FY22:

- “Trading continues to be strong, and the Group is **on track to meet the Clipper Board's full year guidance.**”

Immediately prior to the announcement on 9 December 2021 the updated Clipper compiled consensus included on the Clipper website for FY22 EBIT was £37.0m and £46.2m on an IAS 17 and IFRS 16 basis respectively. The statement made on 9 December 2021, therefore, updated the Board’s guidance in relation to FY22 and superseded the two previous statements where the Clipper Board made references to its expectations for FY22 EBIT.

Application of Rule 28 to the Clipper Profit Forecast

The statements from the Clipper in bold above set an expectation for EBIT for FY22 of £37.0m and £46.2m on an IAS 17 and IFRS 16 basis respectively (the “FY22 Clipper Profit Forecast”) and EBIT for FY23 of £39.3m and £47.6m on an IAS 17 and IFRS 16 basis respectively (the “FY23 Clipper Profit Forecast”), each of which for the purposes of Rule 28.1(c) of the Code, constitutes a profit forecast.

Directors confirmation

The directors of Clipper confirm that, as at the date of this Announcement, the FY22 Clipper Profit Forecast remains valid and that it has been properly compiled on the basis of the assumptions stated below and that the basis of accounting used is consistent with Clipper’s accounting policies which are in accordance with IFRS and those that Clipper applied in preparing its financial statements for the year ended 30 April 2021.

At the time the FY23 Clipper Profit Forecast was made on 7 June 2021, it was 22 months away from the period ending 30 April 2023 to which the profit forecast related. Since then, the market and the circumstances in which Clipper operates in, including the COVID 19 pandemic, have changed. The directors of Clipper, therefore, confirm that the FY23 Clipper Profit Forecast is no longer valid.

Further information on the basis of preparation of the FY22 Clipper Profit Forecast, including the principal assumptions on which it is based, is set out below.

Basis of preparation and principal assumptions

The FY22 Clipper Profit Forecast is based upon internal Clipper forecasts.

In confirming the FY22 Clipper Profit Forecast, the directors of Clipper have made the following assumptions in respect of the forecast period to 30 April 2022:

Factors outside the influence or control of the directors of Clipper:

1. No significant additional effect from COVID-19, in particular any new variant, which would present heightened short-term uncertainty in Clipper’s principal markets;
 2. no material change in the political, economic and/or market environment that would materially affect Clipper;
 3. there will be no material changes in market conditions over the period to 30 April 2022 in relation to either customer demand or competitive environment;
 4. no significant one-off events or litigation that would have a material impact on the operating results or financial position of Clipper;
 5. there will be no material adverse change to Clipper’s commercial relationships;
 6. no material changes to inflation, interest or tax rates in Clipper’s principal markets compared with Clipper’s budgeted estimates;
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7. no material changes of the value of pound sterling above the average foreign exchange rates that have applied during the period from 7 June 2021 to the Last Practicable Date;
8. no material adverse events which will have a significant impact on the operating results or financial position of Clipper;
9. no material adverse outcome from any ongoing or future disputes with any customer, competitor, regulator or tax authority; and
10. no material change in legislation, taxation, regulatory requirements, applicable standards or the position of any regulatory bodies impacting the Clipper Group's operations or accounting policies.

Factors within the influence or control of the directors of Clipper:

1. no additional significant acquisitions, disposals, developments, partnership or joint venture agreements being entered into by Clipper which would have a materially dilutive effect on Clipper's earnings;
2. no material change in the dividend or capital policies of Clipper;
3. no material changes to the senior leadership team of Clipper;
4. no material change in Clipper's strategy; and
5. Clipper's accounting policies will be consistently applied in the period to 30 April 2022.

11. Intentions of GXO

Business of the Clipper Group

GXO believes that the Acquisition has a compelling strategic and financial rationale, will create significant value for all stakeholders and is consistent with GXO's long-term growth strategy. GXO believes that there is a strong strategic fit between Clipper's and GXO's businesses based on highly complementary service offerings, customer portfolios, and footprints in the UK and Europe. The Enlarged Group will benefit from significant cross-selling opportunities, increased presence in key target growth areas as well as an enhanced offering. GXO is confident in the overall prospects of Clipper's business and its long term value.

Prior to this Announcement, consistent with market practice, GXO has been granted access to Clipper's senior management for the purposes of high-level due diligence. This has enabled GXO to develop a preliminary strategy for the Enlarged Group, however it intends to undertake a full evaluation of the Clipper Group in the 12 months following completion of the Acquisition in order to formulate detailed plans regarding the impact of the Acquisition.

The GXO Directors expect pre-tax run-rate cost synergies for the Enlarged Group of approximately £36 million to be realised by the end of the third year post completion of the Acquisition. The principal sources of these synergies are as follows:

- approximately 54 per cent. from combining UK operations and support functions, including the removal of costs associated with Clipper's status as a listed company, in the UK;
- approximately 19 per cent. from combining operations in other geographies and support functions in those geographies;
- approximately 17 per cent. from fleet procurement and maintenance savings; and
- approximately 10 per cent. from other cost and procurement savings.

It is envisaged that the realisation of the identified cost synergies will result in non recurring integration costs of approximately £30 million in aggregate over the first 3 years post completion of the Acquisition.

Potential areas of dis-synergy have also been considered and were determined by GXO management to be immaterial for the analysis. The expected synergies will accrue as a direct result of the success of the Acquisition and would not be achieved on a standalone basis.

In addition to these quantified cost synergies, the GXO Directors believe that significant further value can be created through additional opportunities, including cross-selling opportunities and opportunities arising as a result of the creation of a combined business with a global footprint that more closely matches the footprint of its customers and their needs for innovative products.

These statements of identified synergies and estimated costs savings relate to future actions and circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated cost savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Code, these statements of potential quantified synergies are the responsibility of GXO in its capacity as offeror. Appendix 4 to this announcement includes a copy of this Quantified Financial Benefits Statement and the supporting bases of belief. Appendix 4 also includes reports in connection with this Quantified Financial Benefits Statement from each of Rothschild & Co and KPMG LLP, as required by Rule 28 of the Code. Each of Rothschild & Co and KPMG LLP have given and not withdrawn their consent to the publication of their report in the form and context in which they are included.

These statements are not intended as a profit forecast and should not be interpreted as such.

Following this Announcement, GXO intends to undertake a full evaluation of the Clipper Group. While the parameters of the review have not yet been finalised, GXO expects that it will last up to 12 months and involve an evaluation of business expansion and cross-selling opportunities, establishment of preliminary ideas for jointly developed new capabilities, a review of Clipper's procurement operations and its asset base, as well as analysis of duplicated areas and functions where GXO may be able to streamline and implement "best in class" practices in the Enlarged Group.

GXO understands the importance of R&D and technology to Clipper's business. It does not intend to make any material changes to the R&D and technology functions of either Clipper or GXO.

Management and employees

GXO attaches great importance to the skill and experience of the Clipper Group's management and employees and recognises their important contribution to the success that has been achieved by Clipper. As such, GXO expects the Clipper Group's management and employees to continue to contribute to the success of the Enlarged Group following completion of the Acquisition. GXO expects the Clipper Group's management and employees will benefit from greater opportunities as a result of being part of the Enlarged Group.

GXO has not yet begun to carry out the evaluation referred to above and has not reached any conclusions as to its likely outcome or made any decisions in relation to any specific actions that may be taken as a result of this evaluation. GXO therefore cannot be certain what impact there will be on the employment of, and the balance of skills and functions of, the management and employees of the Enlarged Group, beyond an anticipated reduction in the proportion of employees based in operations, support functions and functional support areas within the Enlarged Group's overall workforce. Proposals regarding incentivisation arrangements for management and employees of the Clipper Group may also be considered as part of the evaluation referred to above. However, no discussions related to such incentivisation arrangements have yet taken place.

GXO intends to safeguard the existing employment rights and pensions rights of the management and employees of the Enlarged Group in accordance with applicable law and does not intend to make any material change in the conditions of employment of the management and employees of the Enlarged Group.

Clipper does not operate or contribute to any defined benefit pension schemes in respect of its employees. It does, however, operate certain defined contribution pension plans. GXO does not intend to make any changes to the eligibility rules or contribution rates that currently apply under Clipper's defined contribution pension plans. GXO intends to comply with all applicable law in connection with the provision of retirement benefits.

The existing non-executive directors of Clipper will resign from office as directors of Clipper with effect from the Effective Date.

Headcount

The GXO Board recognises that in order to achieve the expected benefits of the Acquisition, operational and administrative restructuring will be required following completion of the Acquisition. The steps for such a restructuring are not yet known, but it is anticipated that headcount reductions would total less than 0.5 per cent. across the Enlarged Group (including in particular from combining operations and support functions as well as functional support areas and specifically roles currently supporting Clipper's status as a public listed company).

GXO will aim to retain the best talent across the Enlarged Group and to adopt a “best of both” approach in several areas including in operations. The finalisation and implementation of any restructuring, integration and workforce reductions will be subject to detailed and comprehensive planning as part of the evaluation to be undertaken in the 12 months after the Effective Date, and would be subject to appropriate engagement with stakeholders, including affected employees and any appropriate employee representative bodies in accordance with the legal obligations of the Enlarged Group. GXO would commence this engagement process long enough before any final decision is taken to implement any job reductions so as to ensure that relevant legal obligations are complied with. Where opportunities arise as part of an open recruitment exercise, GXO would look to encourage affected employees to apply for alternative positions within the Enlarged Group and prioritise, to the extent possible, their applications.

Business locations and fixed assets

The Enlarged Group will benefit from a strengthened presence in the UK and Europe based on complementary footprint. Following completion of the Acquisition, GXO intends to maintain Clipper’s office in Leeds but the Enlarged Group’s headquarters will be located at GXO’s head office which will continue to be in Greenwich, Connecticut, USA. Upon completion of the Acquisition, as part of its full evaluation of the Clipper Group, GXO will review all of Clipper’s sites, offices and places of business. Where overlap and duplication are identified, locations of business may be consolidated or repurposed to allow for better amalgamation of Clipper and GXO into the Enlarged Group and to facilitate the integration of Clipper employees. GXO does not intend to redeploy any of Clipper’s fixed assets as a result of the Acquisition.

Trading facilities

Clipper is currently listed on the Official List and, as explained in paragraph 16 below, GXO intends to make a request to the London Stock Exchange to cancel trading in Clipper Shares on the Main Market of the London Stock Exchange, and to the FCA to cancel the listing of the Clipper Shares on the Official List, in each case with effect from or shortly following the Effective Date. Clipper will be re-registered as a private company following the Effective Date.

GXO intends prior to completion of the Acquisition to establish a CREST depositary interest dealing facility for the benefit of the Clipper Shareholders who hold their Clipper Shares in uncertificated form so as to facilitate the trading of the New GXO Shares from outside the United States.

None of the statements in this paragraph 11 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

12. Financing

The cash consideration payable by GXO under the terms of the Acquisition will be funded through third party debt incurred by GXO. Such third party debt is to be provided under a bridge facility agreement arranged by Barclays Bank PLC and Citibank, N.A. (or, in each case, affiliates thereof) (the "Bridge Facility").

Rothschild & Co (as lead financial adviser to GXO) is satisfied that sufficient cash resources are available to GXO to enable it to satisfy in full the cash consideration payable to Clipper Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

13. Clipper Share Schemes

Participants in the Clipper Share Schemes will be contacted regarding the effect of the Acquisition on their rights and appropriate proposals will be made to such participants in due course. Details of these proposals will be set out in separate letters to be sent to participants in the Clipper Share Schemes.

Clipper Sharesave Plan participants will have the opportunity to exercise their options to the extent of the proceeds of their related savings contracts at the time of exercise. Clipper PSP participants will also have the opportunity to exercise their options. In the case of unvested Clipper PSP options, the extent of vesting will depend on determinations to be made by the Clipper Remuneration Committee. All participants in the Clipper Share Schemes who exercise their options and acquire Clipper Shares in connection with or following the Acquisition may dispose of these Clipper Shares for the Consideration, either under the Scheme or later under amendment to the articles of association of Clipper that shall be proposed at the General Meeting. To the extent that participants in the Clipper Share Schemes are not, or do not become, Scheme Shareholders, they will be unable to participate in the Mix and Match Facility.

14. Acquisition-related arrangements

Confidentiality Agreement

GXO and Clipper have entered into a confidentiality agreement dated 2 February 2022 pursuant to which each of GXO and Clipper has undertaken, amongst other things, to: (a) keep confidential information relating to the Acquisition and the other party and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation; and (b) use the confidential information for the sole purpose of evaluating, negotiating, advising on or implementing the potential Acquisition. These confidentiality obligations remain in force until 2 February 2024. The agreement also contains provisions pursuant to which each party has agreed not to solicit certain employees and customers of the other party, subject to customary carve-outs, for a period of approximately 12 months.

Co-operation Agreement

GXO and Clipper entered into the Co-operation Agreement dated 28 February 2022 pursuant to which GXO agreed to use its reasonable endeavours to secure the regulatory clearances and authorisations necessary to satisfy the Conditions.

GXO and Clipper have agreed to certain undertakings to co-operate and provide each other, in a timely manner, with such information and assistance as may reasonably be required in relation to the filings, submissions and notifications to be made in relation to such regulatory clearances and authorisations. GXO has also agreed to provide Clipper with reasonable information, assistance and access for the preparation of certain documentation relating to the Scheme, including the Scheme Document.

GXO has the right to terminate the Co-operation Agreement in certain circumstances, including if the Clipper Board publicly withdraws, adversely qualifies, adversely modifies or fails to re-affirm or re-issue its unanimous and unconditional recommendation that Clipper Shareholders vote in favour of the Scheme or a competing transaction is either recommended by the Clipper Board or completes, becomes effective or is declared or becomes unconditional in all respects.

The Co-operation Agreement records GXO's and Clipper's intention to implement the Acquisition by way of the Scheme, subject to the ability of GXO to proceed by way of a Takeover Offer: (i) with the written consent of Clipper; (ii) if a third party announces a firm intention to make an offer for Clipper which is recommended in whole or in part by the Clipper Board; (iii) if a third party announces that it is considering making an offer for Clipper, or Clipper or GXO notifies the other that it is aware of the existence of a bona fide potential offeror (within the meaning of Rule 21.3 of the Code) for all or part of the issued ordinary share capital of Clipper; (iv) if the Clipper Board withdraws, adversely modifies or adversely qualifies its recommendation of the Acquisition; or (v) if Clipper adjourns one or more of the Court Meeting, the General Meeting or the Scheme Court Hearing without the prior written consent of GXO.

The Co-operation Agreement also contains provisions that will apply in respect of the Clipper Share Schemes.

Clean Team Agreement

GXO and Clipper have also entered into the clean team agreement dated 21 February 2022, which sets out how any confidential information that is commercially and competitively sensitive can be disclosed, used or shared for the purposes of due diligence, synergies evaluation, planning transition and integration and regulatory clearance.

15. Structure of the Acquisition

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Clipper and the Scheme Shareholders, under Part 26 of the Companies Act. The procedure involves, among other things, an application by Clipper to the Court to sanction the Scheme, in consideration for which the Scheme Shareholders will receive the Consideration on the basis described in paragraph 2 above. The purpose of the Scheme is to provide for GXO to become the owner of the entire issued and to be issued share capital of Clipper.

The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this Announcement and to be set out in the Scheme Document when issued. In particular, the Scheme will only become effective if, among other things, the following events occur on or before the Long-Stop Date:

- a resolution to approve the Scheme is passed by a majority in number representing 75 per cent. in value of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy;
- the Special Resolution necessary to implement the Scheme is passed by the requisite majority of Clipper Shareholders at the General Meeting;
- the Scheme is sanctioned (with or without modification, on terms agreed by GXO and Clipper); and
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Following the Clipper Meetings, the Scheme must also be sanctioned by the Court and will only become effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies. Upon the Scheme becoming effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Clipper Shares will cease to be valid and entitlements to Clipper Shares held within the CREST system will be cancelled. The New GXO Shares will be issued and the Consideration will be despatched to Scheme Shareholders no later than 14 days after the Effective Date.

If the Scheme does not become effective on or before the Long-Stop Date, it will lapse and the Acquisition will not proceed (unless GXO and Clipper otherwise agree and the Panel otherwise consents).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition and will specify the necessary actions to be taken by Clipper Shareholders. The Scheme Document will be posted to Clipper Shareholders and, for information only, to persons with information rights and to holders of options granted under the Clipper Share Schemes, as soon as practicable. Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective in the summer of 2022.

16. Delisting and re-registration

It is intended that dealings in Clipper Shares will be suspended at 5.00 p.m. London time on the business day prior to the Effective Date. It is further intended that an application will be made to the FCA for the cancellation of the listing of the Clipper Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Clipper Shares on the Main Market for listed securities of the London Stock Exchange, with effect as of or shortly following the Effective Date.

It is also intended that, following the Scheme becoming effective, Clipper will be re-registered as a private company under the relevant provisions of the Companies Act.

17. Settlement, listing and dealing of New GXO Shares

Once the Scheme has become effective, New GXO Shares will be allotted to Clipper Shareholders who will be receiving New GXO Shares as part of the Mix and Match Facility. Application will be made for the listing of New GXO Shares on the NYSE from the Effective Date.

The New GXO Shares will immediately rank pari passu in all respects with shares of GXO common stock already listed on the NYSE.

GXO intends prior to completion of the Acquisition to establish a CREST depositary interest dealing facility for the benefit of the Clipper Shareholders who hold their Clipper Shares in uncertificated form so as to facilitate the trading of the New GXO Shares from outside the United States. Details of how Clipper Shareholders can hold, access and trade the New GXO Shares will be set out in the Scheme Document.

18. Mix and Match Facility

Pursuant to the terms of the Scheme, Scheme Shareholders will be entitled to elect to vary the proportions in which they receive New GXO Shares and cash in respect of their Scheme Shares. However, the total number of New GXO Shares to be delivered pursuant to the Acquisition and the maximum aggregate amount of cash to be paid under the Acquisition will not be varied as a result of elections made under the Mix and Match Facility.

Satisfaction of elections made by Clipper Shareholders under the Mix and Match Facility will therefore depend on the extent to which other Clipper Shareholders make elections. To the extent that elections cannot be satisfied in full, they will be scaled down on a pro-rata basis. As a result, Clipper Shareholders who make an election under the Mix and Match Facility will not necessarily know the exact number of New GXO Shares or the amount of cash they will receive until settlement of the consideration due to them under the Acquisition.

Pursuant to the terms of their irrevocable undertakings, Steve Parkin, David Hodkin, Tony Mannix, Gurnaik Chima, George Turner and Sean Fahey have each irrevocably undertaken to elect to receive 50 per cent. New GXO Shares in respect of their entire beneficial holdings of Scheme Shares.

Further details in relation to the Mix and Match Facility (including the action to take in order to make a valid election, the deadline for making elections, and the basis on which entitlement to receive cash may be exchanged for an entitlement to additional New GXO Shares) for Clipper Shareholders will be contained in the Scheme Document.

19. Disclosure of interests in Clipper relevant securities

Except for the irrevocable undertakings referred to in paragraph 18 above, as at close of business on 25 February 2022 (other than in respect of Barclays, in respect of which this confirmation is given as at close of business on 24 February 2022), being the latest practicable date prior to the date of this Announcement, neither GXO, nor any of the directors of GXO or any member of the GXO Group, nor, so far as the directors of GXO are aware, any person acting in concert with GXO for the purposes of the Acquisition had any interest in, right to subscribe for, or had borrowed or lent any Clipper Shares or securities convertible or exchangeable into Clipper Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Clipper Shares or in relation to any securities convertible or exchangeable into Clipper Shares.

Enquiries have been made of certain parties who may be deemed by the Panel to be acting in concert with GXO for the purposes of the Scheme and any disclosure in respect of such parties will be included in the Scheme Document.

20. Overseas shareholders

The availability of the Acquisition (including the New GXO Shares) and the distribution of this Announcement to Clipper Shareholders who are not resident in the United Kingdom or the United States may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Clipper Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Clipper Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been dispatched.

21. Documents published on a website

Copies of the following documents are already or will, by no later than 12 noon (London time) on 1 March 2022, be published on Clipper's website at [www. https://www.clippergroup.co.uk/possible-offer/](https://www.clippergroup.co.uk/possible-offer/) and on GXO's website at <https://www.gxo.com/information-regarding-possible-offer-for-clipper-logistics-plc/> until the end of the Acquisition:

- this Announcement;
 - the irrevocable undertakings described in paragraph 6 and listed in Appendix 3;
-

- the documents relating to the Bridge Facility referred to in paragraph 12;
- the Clean Team Agreement referred to in paragraph 14;
- the confidentiality agreement referred to in paragraph 14;
- the Co-operation Agreement referred to in paragraph 14; and
- the consent letters from each of Rothschild & Co, Barclays, KPMG LLP, Numis and Citibank N.A. referred to in paragraph 22 below.

22. General

GXO reserves the right to elect in accordance with the Co-operation Agreement to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Clipper not already held by GXO as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, GXO intends to: (i) make a request to the FCA to cancel the listing of the Clipper Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Clipper Shares on its market for listed securities; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Clipper Shares in respect of which the Takeover Offer has not been accepted.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

The bases and sources of certain financial information contained in this Announcement are set out in Appendix 2. Certain terms used in this Announcement are defined in Appendix 5.

Each of Rothschild & Co, Barclays, KPMG LLP, Numis and Citibank N.A. has given and not withdrawn its consent to the inclusion in this Announcement of references to its name in the form and context in which they appear.

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Clipper Shareholder Helpline

Please contact Equiniti Limited between 8.30 a.m. and 5.30 p.m. Monday to Friday (except United Kingdom public holidays), on +44 (0) 371 384 2050 (calls are charged at the standard geographic rate and will vary by provider; calls from outside the United Kingdom will be charged at the applicable international rate).

Freshfields Bruckhaus Deringer LLP is acting as legal adviser to GXO in connection with the Acquisition. Wachtell Lipton Rosen & Katz is acting as legal adviser to GXO in connection with debt finance aspects of the Acquisition. Hogan Lovells International LLP is acting as legal adviser to Clipper in connection with the Acquisition.

Further information

This Announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Clipper in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition and how to make an election under the Mix and Match Facility. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

Please be aware that addresses, electronic addresses and certain other information provided by Clipper Shareholders, persons with information rights and other relevant persons for the receipt of communications from Clipper may be provided to GXO during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

Rothschild & Co, which is authorised and regulated in the UK by the FCA, is acting exclusively for GXO and no-one else in connection with the Acquisition and will not be responsible to anyone other than GXO for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.

Barclays, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for GXO and no one else in connection with the Acquisition and will not be responsible to anyone other than GXO for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Acquisition or any other matter referred to in this Announcement.

Numis, which is authorised and regulated in the UK by the FCA, is acting exclusively for Clipper and no-one else in connection with the Acquisition and will not be responsible to anyone other than Clipper for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.

Overseas jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the UK and the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK and the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom, to vote their Clipper Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England. Unless otherwise determined by GXO or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made available directly or indirectly in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by use of mail or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.

Copies of this Announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of US tender offer rules. The financial information included in this Announcement and the Scheme documentation in relation to Clipper has been or will have been prepared in accordance with International Financial Reporting Standards (and also makes or will make use of alternative performance measures on the basis disclosed publicly by Clipper which are not defined by IFRS) and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with accounting principles generally accepted in the US. The financial information included in this Announcement and the Scheme documentation in relation to GXO has been or will have been prepared in accordance with US GAAP, except as otherwise specified therein. If GXO exercises its right to implement the acquisition of the Clipper Shares by way of a Takeover Offer or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act, such offer will be made in compliance with applicable US laws and regulations.

It may be difficult for US investors to enforce their rights and any claim arising out of the US federal securities laws, since Clipper is located in a non-US jurisdiction, and some or all of its officers and directors may be residents of a non-US jurisdiction. US investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The offering of New GXO Shares pursuant to the Scheme has not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") and will be issued pursuant to the exemption from registration provided by Section 3(a)(10) under the US Securities Act. If, in the future, GXO or Clipper exercises its right to implement the Acquisition by way of a Takeover Offer or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act, it will file a registration statement with the SEC that will contain a prospectus with respect to the issuance of New GXO Shares under the US Securities Act. In this event, Clipper Shareholders are urged to read these documents and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they would contain important information, and such documents will be available free of charge at the SEC's website at www.sec.gov or by directing a request to GXO's contact for enquiries identified above. In addition, if GXO exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act.

New GXO Shares issued to persons other than "affiliates" of GXO (defined as certain control persons, within the meaning of Rule 144 under the US Securities Act) will be freely transferable under US law after the Acquisition. Persons (whether or not US persons) who are or will be "affiliates" of GXO within 90 days prior to, or of the Enlarged Group after, the Effective Date will be subject to certain transfer restrictions relating to the New GXO Shares under US law.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, GXO or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Clipper Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. Also, in accordance with normal UK practice and Rule 14e-5(b) of the US Exchange Act, Barclays will continue to act as a connected exempt principal trader in Clipper Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

This Announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. The securities referenced in this Announcement have not been registered under the US Securities Act, and may not be offered or sold in the United States absent registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. Any securities issued as part of the Acquisition (including the New GXO Shares) will be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the US Securities Act. Any Acquisition will be made solely by means of the Scheme Document published by Clipper. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in such document.

The receipt of cash and New GXO Shares pursuant to the Acquisition by a US holder as consideration for the transfer of the US holder's Scheme Shares pursuant to the Scheme will be a taxable transaction for United States federal income tax purposes and may be further subject to tax under applicable US state and local tax laws. A US holder generally will recognize capital gain or loss on the disposition of Scheme Shares for the New GXO Shares and cash equal to the difference between (i) the amount realised on such disposition (i.e., the USD value of the sum of the cash and the fair market value of the New GXO Shares received by the US holder) and (ii) the US holder's adjusted tax basis in such disposed Scheme Shares. A U.S. holder's tax basis in the Scheme Shares generally will be the USD value of the amount paid by the U.S. Scheme Shareholders to purchase the Scheme Shares on the date of purchase. Each Clipper Shareholder is urged to consult an independent professional adviser regarding the tax consequences of the Acquisition and Scheme applicable to him or her, including, but not limited to (i) as a result of the US holder's status as other than an individual, (ii) the potential application of special tax rules with respect to gain recognized by a US holder upon a disposition of shares of a "passive foreign investment company," and (iii) eligibility for treaty relief to the extent of any withholding tax or other tax that may apply outside of the United States.

Certain tax considerations for non-US persons

In certain circumstances, Clipper Shareholders that are not US persons and that receive cash consideration and New GXO Shares pursuant to the Scheme may be subject to US backup withholding, unless they comply with applicable certification requirements.

Cautionary Note Regarding Forward-Looking Statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition and other information published by GXO and Clipper include statements which are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the US Securities Act and Section 21E of the US Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including statements with respect to the financial condition, strategies, results of operations and businesses of GXO and Clipper and their respective groups and certain plans and objectives with respect to the Enlarged Group, including, without limitation, GXO's and Clipper's 2022 financial targets for organic revenue growth, adjusted EBITDA, depreciation and amortization expense and net capital expenditures and the expected run rate cost synergies for the Enlarged Group. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "would," "should," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Factors that might cause or contribute to a material difference include, but are not limited to, the risks discussed in GXO's filings with the SEC and the following: the severity, magnitude, duration and aftereffects of the COVID-19 pandemic and government responses to the COVID-19 pandemic; economic conditions generally; supply chain challenges, including labour shortages; competition and pricing pressures; GXO and/or Clipper's ability to align GXO and/or Clipper's investments in capital assets, including equipment, service centres and warehouses, to their respective customers' demands; GXO and/or Clipper's ability to successfully integrate and realise anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; acquisitions may be unsuccessful or result in other risks or developments that adversely affect GXO and/or Clipper's financial condition and results; GXO and/or Clipper's ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; GXO and/or Clipper's ability to raise debt and equity capital; litigation; labour matters, including GXO and/or Clipper's ability to manage its subcontractors, and risks associated with labour disputes at GXO and/or Clipper's customers and efforts by labour organizations to organize its employees; risks associated with defined benefit plans for GXO and/or Clipper's current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; issues related to GXO and/or Clipper's intellectual property rights; governmental regulation, including trade compliance laws, as well as changes in international trade policies and tax regimes; natural disasters, terrorist attacks or similar incidents; a material disruption of GXO and/or Clipper's operations; the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; the impact of potential cyber-attacks and information technology or data security breaches; the inability to implement technology initiatives successfully; the expected benefits of the Acquisition, and uncertainties regarding the Acquisition, including the risk that the Acquisition will not produce the desired benefits; a determination by a tax authority that the distribution or certain related Acquisition on transactions should be treated as taxable transactions; expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed estimates; and the impact of the separation on GXO's businesses, operations, relationships with customers, suppliers, employees and other business counterparties, and the risk that the separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on GXO's resources, systems, procedures and controls, disruption of ongoing business, and diversion of management's attention from other business concerns. All forward-looking statements set forth in this Announcement are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by GXO will be realised or, even if substantially realised, that they will have the expected consequences to or effects on us or its business or operations. Forward-looking statements set forth in this Announcement speak only as of the date hereof, and GXO does not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

Additional information for UK holders

To the extent that a UK holder of Scheme Shares receives cash as consideration for the transfer of their Scheme Shares under the Scheme, the transfer by a UK holder of those Scheme Shares will be treated as a disposal of the UK holder's Scheme Shares for the purposes of UK CGT or UK corporation tax on chargeable gains (as applicable). Depending on the UK holder's particular circumstances (including the UK holder's base cost in their holding of Scheme Shares and the availability of exemptions, reliefs and/or allowable losses), the receipt of cash pursuant to the Acquisition by a UK holder as consideration for the transfer of the UK holder's Scheme Shares may give rise to a liability to CGT or UK corporation tax on chargeable gains or, alternatively, an allowable capital loss.

To the extent that a UK holder of Scheme Shares receives New GXO Shares as consideration for the transfer of their Scheme Shares under the Scheme, the transfer by a UK holder of those Scheme Shares should not be treated as a disposal of that UK holder's Scheme Shares for the purposes of UK CGT or UK corporation tax on chargeable gains (as applicable). Accordingly, any gain or loss which would have arisen on a disposal of their Scheme Shares will (to the extent that they receive New GXO Shares consideration under the Scheme) be "rolled-over" into the New GXO Shares that they receive and those New GXO Shares will be treated as the same asset as their Scheme Shares, acquired at the same time as their Scheme Shares and for the same acquisition cost. A subsequent disposal of New GXO Shares by such UK holder may, depending on individual circumstances, give rise to a liability to UK CGT or UK corporation tax on chargeable gains (as applicable). Any chargeable gain or allowable loss on disposal (including redemption) of the New GXO Shares should be calculated taking into account the allowable original cost to the UK holder of acquiring the relevant Scheme Shares.

No UK stamp duty or SDRT will be payable by Clipper Shareholders on the transfer of their Scheme Shares under the Scheme.

No profit forecasts or estimates

The FY22 and FY23 Clipper Profit Forecasts are profit forecasts for the purposes of Rule 28 of the Code. The FY22 Clipper Profit Forecast, the assumptions and basis of preparation on which the FY22 Clipper Profit Forecast is based and the Clipper Directors' confirmation, as required by Rule 28.1 of the Code, are set out in paragraph 10 of this Announcement. The directors of Clipper have confirmed that the FY23 Clipper Profit Forecast is no longer valid, further details of which are set out in paragraph 10 of this Announcement.

Other than in respect of the FY22 and FY23 Clipper Profit Forecasts, no statement in this Announcement is intended as, or is to be construed as, a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per ordinary share, for Clipper, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Clipper. For the purposes of Rule 28 of the Code the FY22 Clipper Profit Forecast and the explanation for the FY23 Clipper Profit Forecast no longer being valid as contained in this Announcement are the responsibility of Clipper and the Clipper Directors.

GXO Quantified Financial Benefits Statement

The statements in the GXO Quantified Financial Benefits Statement relate to future actions and circumstances which by their nature, involve risks, uncertainties and contingencies. The synergies and cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Other than in respect of the FY22 Clipper Profit Forecast, no statement in the GXO Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast or interpreted to mean that the Enlarged Group's earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of GXO and/or Clipper for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the GXO Quantified Financial Benefits Statement is the responsibility of GXO and the GXO Directors.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website and hard copies

A copy of this Announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on GXO's website at <https://www.gxo.com/information-regarding-possible-offer-for-clipper-logistics-plc/> and Clipper's website at [www. https://www.clippergroup.co.uk/possible-offer/](https://www.clippergroup.co.uk/possible-offer/). For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

Clipper Shareholders may request a hard copy of this Announcement by contacting Equiniti during business hours on +44 (0) 371 384 2050 or by submitting a request in writing to Registrar at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Appendix 1

Conditions and Certain Further Terms of the Scheme and the Acquisition

A. Conditions to the Scheme and Acquisition

Long-Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Code, by no later than the Long-Stop Date.

Scheme approval

2. The Scheme will be conditional upon:
 - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or each of the relevant classes thereof, if applicable) present and voting and entitled to vote, either in person or by proxy, at the Court Meeting (or at any separate class meeting, if applicable), or at any adjournment thereof; and (ii) the Court Meeting (and any separate class meeting, if applicable) and any adjournment thereof being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as GXO and Clipper may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required);
 - (b) (i) all resolutions necessary to approve and implement the Scheme as set out in the notice of the General Meeting (including, without limitation, the Special Resolution) being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment thereof; and (ii) the General Meeting and any adjournment thereof being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as GXO and Clipper may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required); and
 - (c) (i) the sanction of the Scheme by the Court without modification or with modification on terms acceptable to GXO and Clipper and the delivery of a copy of the Scheme Court Order to the Registrar of Companies; and (ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date (if any) as GXO and Clipper may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required).

In addition, GXO and Clipper have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

NYSE Listing of New GXO Shares

3. GXO or its agent having received receipt of a confirmation from NYSE (and such confirmation not having been withdrawn) that the New GXO Shares have been approved for listing on the NYSE, subject to official notice of issuance.

Official authorisations and regulatory clearances

Competition and Markets Authority clearance

4. The Competition and Markets Authority or, as the case may be, the Secretary of State adopting and formally notifying to the parties all decisions and approvals necessary to clear the Acquisition and to permit the Acquisition and any matters arising therefrom to proceed (and, to the extent relevant, all conditions or obligations contained in such decisions and approvals necessary for clearance of the Acquisition having been satisfied or complied with).

Polish competition authority clearance

5. The President of the Polish Office of Competition and Consumer Protection (Prezes Urzędu Ochrony Konkurencji i Konsumentów) adopting a decision approving the Acquisition on terms reasonably satisfactory to GXO; or permitting the Acquisition on terms reasonably satisfactory to GXO, or the period set out in the Polish Act dated 16 February 2007 on Competition and Consumers Protection having expired without a decision being taken by the President of the Polish Office of Competition and Consumer Protection prohibiting the Acquisition.

National security and investment clearances

6. In so far as any public interest, foreign investment or national security laws, rules or regulations (including the National Security and Investment Act 2021) are effective as at the date of this Announcement and before the Effective Date, and such laws, rules or regulations would apply to the Acquisition, all approvals as are legally required, or in the reasonable opinion of GXO advisable, pursuant to such laws, rules or regulations to permit the Acquisition to occur have been obtained.

General Third Party official authorisations and regulatory clearances

7. Excluding filings, applications, obligations, notifications, waiting and other time periods, and clearances relating to those antitrust, merger control or national security or foreign investment screening referred to in Conditions 4 to 6, all notifications to and filings with, Third Parties which are necessary or are reasonably considered appropriate by GXO having been made, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case in connection with the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Clipper or any other member of the Wider Clipper Group by any member of the Wider GXO Group or the carrying on by any member of the Wider Clipper Group of any material aspect of its business.
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8. No Third Party having intervened (other than any Third Party having intervened in respect of those antitrust, merger control or national security or foreign investment screening referred to in Conditions 4 to 6, in respect of which those aforementioned conditions shall apply) and there not continuing to be outstanding any statute, regulation or order of any Third Party (other than any statute, regulation or order of any Third Party relating to those antitrust, merger control or national security or foreign investment screening referred to in Conditions 4 to 6, in respect of which those aforementioned conditions shall apply) in each case which is or is likely to be material in the context of the Wider GXO Group or Wider Clipper Group or the Acquisition which would or would reasonably be expected to:
- (a) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by GXO or any member of the Wider GXO Group of any shares or other securities in, or control or management of, Clipper or any member of the Wider Clipper Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material conditions or obligations with respect to the Scheme or the Acquisition or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Acquisition or such acquisition, or require material amendment to the terms of the Scheme or Acquisition or the acquisition or proposed acquisition of any Clipper Shares or the acquisition of control or management of Clipper or the Wider Clipper Group by GXO or any member of the GXO Group;
 - (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider GXO Group or any member of the Wider Clipper Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Clipper Group or any member of the Wider GXO Group;
 - (c) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider GXO Group of any shares or other securities in any member of the Clipper Group;
 - (d) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider GXO Group or by any member of the Wider Clipper Group of all or a material part of their respective businesses, assets or properties or materially limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
 - (e) except pursuant to the implementation of the Acquisition or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider GXO Group or of the Wider Clipper Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
 - (f) materially adversely limit the ability of any member of the Wider GXO Group or of the Wider Clipper Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider GXO Group or of the Wider Clipper Group;
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- (g) result in any member of the Wider Clipper Group or the Wider GXO Group ceasing to be able to carry on business under any name under which it presently does so; or
- (h) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Clipper Group or of the Wider GXO Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated.

9. All Authorisations which are necessary in any relevant jurisdiction for or in respect of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Clipper or any other member of the Wider Clipper Group by any member of the Wider GXO Group or the carrying on by any member of the Wider Clipper Group of its business having been obtained from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider Clipper Group has entered into contractual arrangements in each case where the absence of such Authorisation would have a material adverse effect on the Clipper Group taken as a whole and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

Certain matters arising as a result of any arrangement, agreement etc.

10. Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Clipper Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject, which, in each case as a consequence of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, Clipper or any other member of the Wider Clipper Group by any member of the Wider GXO Group or otherwise, would or would reasonably be expected to result in, (in any case to an extent which is or would be material and adverse in the context of the Wider Clipper Group taken as a whole):
- (a) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Clipper Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability of any member of the Wider Clipper Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
 - (b) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Clipper Group;
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- (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Clipper Group thereunder, being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
- (d) any asset or interest of any member of the Wider Clipper Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Clipper Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Clipper Group otherwise than in the ordinary course of business;
- (e) any member of the Wider Clipper Group ceasing to be able to carry on business under any name under which it presently does so;
- (f) the creation of material liabilities (actual or contingent) by any member of the Wider Clipper Group other than in the ordinary course of business;
- (g) the rights, liabilities, obligations or interests of any member of the Wider Clipper Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (h) the financial or trading position or the value of any member of the Wider Clipper Group being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would be reasonably likely to result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 10 in any case to an extent which is or would be material and adverse in the context of the Clipper Group taken as a whole.

11. Since 30 April 2021 and except as Disclosed no member of the Wider Clipper Group having:

- (a) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, other than (i) as between Clipper and wholly-owned subsidiaries of Clipper; and/or (ii) any shares issued or shares transferred from treasury upon the exercise of any options, granted under or in connection with any of the Clipper Share Schemes;
 - (b) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital to an extent which (other than in the case of Clipper) is material in the context of the Clipper Group taken as a whole;
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- (c) recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue (other than to Clipper or a wholly-owned subsidiary of Clipper);
 - (d) except as between Clipper and its wholly-owned subsidiaries or between such wholly-owned subsidiaries made or authorised any change in its loan capital;
 - (e) (other than any acquisition or disposal in the ordinary course of business or a transaction between Clipper and a wholly-owned subsidiary of Clipper or between such wholly-owned subsidiaries) merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same (in each case to an extent which is material and adverse in the context of the Clipper Group taken as a whole);
 - (f) issued or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business or except as between Clipper and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material and adverse in the context of the Clipper Group taken as a whole;
 - (g) entered into, varied, or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
 - (i) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude; or
 - (ii) is reasonably likely to restrict the business of any member of the Wider Clipper Group; or
 - (iii) is other than in the ordinary course of business,and which in any case is material in the context of the Clipper Group taken as a whole;
 - (h) except as between Clipper and its wholly-owned subsidiaries or between such wholly-owned subsidiaries entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Clipper Group otherwise than in the ordinary course of business which in any case is material in the context of the Clipper Group taken as a whole;
 - (i) entered into or materially varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Clipper Group which is material and adverse in the context of the Wider Clipper Group taken as a whole;
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- (j) (other than in respect of a member which is dormant or which is solvent at the relevant time) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which in any case is material in the context of the Clipper Group taken as a whole;
- (k) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in any case with a material adverse effect on the Clipper Group taken as a whole;
- (l) other than claims between Clipper and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, waived or compromised any claim, otherwise than in the ordinary course of business, which is material in the context of the Clipper Group taken as a whole;
- (m) other than in connection with the Scheme, made any alteration to its memorandum or articles of association which is material in the context of the Acquisition;
- (n) made or agreed or consented to:
- (i) any material change:
- to the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or
 - the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
 - the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
 - the basis upon which the liabilities (including pensions) or such pension schemes are funded, valued or made,
- in each case, which has an effect that is material in the context of the Clipper Group taken as a whole, or
- (ii) any change to the trustees including the appointment of a trust corporation;
- (o) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Clipper Group in a manner which is material in the context of the Clipper Group taken as a whole, other than in the ordinary course or in accordance with the terms of the Acquisition or as agreed by the Panel or GXO; or
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- (p) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 12.

No adverse change, litigation or regulatory enquiry

12. Since 30 April 2021 and except as Disclosed:

- (a) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Clipper Group which in any case is material in the context of the Clipper Group taken as a whole, save in consequence of the proposed Acquisition or of the process leading to the Acquisition;
- (b) no contingent or other liability of any member of the Wider Clipper Group having arisen or become apparent or increased (other than in the ordinary course of business) which in any case is material and adverse in the context of the Clipper Group taken as a whole;
- (c) (other than as a result of or in connection with the Acquisition) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Clipper Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened in writing, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Clipper Group which in any case would be likely to have a material adverse effect in the context of the Clipper Group taken as a whole; and
- (d) (other than as a result of or in connection with the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened in writing, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Clipper Group which in any case would reasonably be expected to have an adverse effect that is material in the context of the Clipper Group taken as a whole;
- (e) on or after the date of this Announcement, and other than with the consent of GXO, no action having been taken or proposed by any member of the Wider Clipper Group, or having been approved by Clipper Shareholders or consented to by the Panel, which requires or would require the approval of Clipper Shareholders in a general meeting under Rule 21.1 of the Code; and
- (f) no member of the Wider Clipper Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Clipper Group taken as a whole.
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No discovery of certain matters

13. GXO not having discovered:

- (a) (except as Disclosed) that any financial or business or other information concerning the Wider Clipper Group disclosed at any time by or on behalf of any member of the Wider Clipper Group, whether publicly, to any member of the Wider GXO Group or otherwise, is materially misleading or contains any material misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected before 28 February 2022 by disclosure either publicly or otherwise to GXO to an extent which in any case is material in the context of the Clipper Group taken as a whole;
- (b) that any member of the Wider Clipper Group is subject to any liability (actual or contingent) which is not disclosed in Clipper's annual report and accounts for FY21, which has not been Disclosed and which in any case is material in the context of the Clipper Group taken as a whole; or
- (c) any information which has not been Disclosed and which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Clipper Group to an extent which is material in the context of the Clipper Group taken as a whole.

14. GXO not having discovered other than Disclosed:

- (a) that any past or present member of the Wider Clipper Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Clipper Group which in any case is material in the context of the Clipper Group taken as a whole;
 - (b) that there is, or is likely to be, any material liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Clipper Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Clipper Group taken as a whole; or
 - (c) that circumstances exist whereby a person or class of persons would be likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Clipper Group which is or would be material in the context of the Clipper Group taken as a whole.
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Anti-corruption, sanctions and criminal property

15. GXO not having discovered other than Disclosed that:

- (a) (i) any past or present member, director, officer or employee of the Wider Clipper Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Clipper Group or (ii) any person that performs or has performed services for or on behalf of the Wider Clipper Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (b) to an extent which is or would reasonably be expected to be material in the context of the Wider Clipper Group taken as a whole, any asset of any member of the Wider Clipper Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (c) any past or present member, director, officer or employee of the Clipper Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, which in each case would cause any member of Clipper Group to be in breach of any economic sanctions laws applicable to the Clipper Group; or
- (d) a member of the Clipper Group has engaged in any transaction which would cause GXO to be in breach of any law or regulation upon its acquisition of Clipper, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

For the purpose of these Conditions:

- (i) “Third Party” means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority, court, trade agency, association, institution or professional or environmental body in any relevant jurisdiction, including, for the avoidance of doubt, the Panel;
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- (ii) a Third Party shall be regarded as having “intervened” if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and “intervene” shall be construed accordingly; and
- (iii) “Authorisations” means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals, in each case, of a Third Party.

B. Waiver and invocation of the Conditions

1. Subject to the requirements of the Panel, GXO reserves the right in its sole discretion to waive all or any of the Conditions set out in Part A of this Appendix 1 except Conditions 2(a)(i), 2(b)(i) and 2(c)(i) and 3 which cannot be waived. The deadlines in any of Conditions 2(a)(ii), 2(b)(ii) and 2(c)(ii) may be extended to such later date as may be agreed in writing by GXO and Clipper (with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required). If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the deadline specified in the relevant Condition, GXO shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadline or agreed with Clipper to extend the relevant deadline.
 2. GXO shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 4 to 15 in Part A of this Appendix 1 by a date earlier than the Long-Stop Date, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
 3. Subject to paragraph 4 below, under Rule 13.5(a) of the Code, GXO may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to GXO in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
 4. The Conditions set out in paragraphs 1, 2 and 3 of Part A of this Appendix 1 (and any Takeover Offer acceptance condition adopted on the basis specified in Part C of this Appendix 1) will not be subject to Rule 13.5(a) of the Code:
 5. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by GXO.
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6. The Scheme will not become effective unless the Conditions have been fulfilled or (to the extent capable of waiver) waived or, where appropriate, have been determined by GXO to be or remain satisfied by no later than the Long-Stop Date.
7. If the Panel requires GXO to make an offer or offers for any Clipper Shares under the provisions of Rule 9 of the Code, GXO may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

C. Implementation by way of Takeover Offer

GXO reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent and (where relevant) to the terms of the Co-operation Agreement. In such event, such Takeover Offer will be implemented on the same terms and conditions, so far as applicable and subject to and in accordance with the terms of the Co-operation Agreement, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (without limitation and subject to the consent of the Panel) an acceptance condition that is set at 75 per cent. (or such other percentage (being more than 50 per cent.) as GXO may decide (subject to the Panel's consent)) (i) in nominal value of the shares to which such Takeover Offer relates; and (ii) of the voting rights attaching to those shares.

D. Certain further terms of the Acquisition

1. Clipper Shares will be acquired by GXO fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after the Effective Date.
 2. If, on or after the date of this Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Scheme Shares, GXO reserves the right (without prejudice to any right of GXO, with the consent of the Panel, to invoke Condition A.11(c) in Part A of this Appendix 1), to reduce the value implied under the terms of the Acquisition by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Announcement or in the Scheme Document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, to the extent possible, the cash component of the consideration would be reduced by an amount up to the amount of such dividend and/or distribution and/or return of capital. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles GXO to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph. Any exercise by GXO of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
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3. Fractions of New GXO Shares will not be allotted to Clipper Shareholders but will be aggregated and sold as soon as practicable after the Scheme becomes effective. The net proceeds of such sale will then be paid in cash to relevant Clipper Shareholders in accordance with their fractional entitlements.
 4. The New GXO Shares will be issued credited as fully paid and will rank *pari passu* in all respects with shares of GXO common stock issued and outstanding at the time the New GXO Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the Effective Date. Application will be made to the NYSE for the New GXO Shares to be listed.
 5. The Acquisition will be subject, inter alia, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.
 6. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
 7. This Announcement and any rights or liabilities arising hereunder, the Acquisition, the Scheme, and any proxies will be governed by English law and be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.
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Appendix 2

Bases and Sources

1. The value attributed to the existing issued and to be issued ordinary share capital of Clipper is based upon the 102,468,030 Clipper Shares in issue on 25 February 2022 and an additional 2,435,830 Clipper Shares that may be issued pursuant to outstanding options granted under the Clipper Share Schemes as at 25 February 2022, assuming for these purposes that the Scheme Court Order is made on 30 June 2022.
 2. For the purposes of the financial comparisons contained in this Announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Acquisition.
 3. Unless otherwise stated, the financial information on GXO is extracted (without material adjustment) from GXO's Annual Report and Accounts for the year ended 31 December 2021.
 4. Unless otherwise stated, the financial information on Clipper is extracted (without material adjustment) from Clipper's Annual Report and Accounts for the year ended 30 April 2021 and from the announcement of Clipper's interim results for the six months ended 31 October 2021.
 5. The market prices of the Clipper Shares are the closing middle market quotations as derived from information published by the London Stock Exchange.
 6. The market prices of the GXO Shares are the closing middle market quotations as derived from information published by the New York Stock Exchange.
 7. The trailing GXO 3-month volume weighted average price and the trailing 3-month average USD/GBP exchange rate used to determine the Exchange Ratio have been derived from Bloomberg based on the period of 3 calendar months up to the Last Practicable Date.
 8. The trailing GXO 3-month volume weighted average price for the period up to the Last Practicable Date is US\$86.20 and the trailing 3-month average USD/GBP exchange rate is 0.7432.
 9. The closing price of Clipper shares on 27 January 2022, the last business day before GXO's proposal was made to Clipper was 617 pence.
 10. The Clipper 3 month volume weighted average price as at 18 February 2022 was 699 pence.
 11. On the Last Practicable Date, GXO's closing share price was US\$84.38 and the USD/GBP exchange rate was 0.7455.
 12. Clipper's underlying EBITDA of £82 million on an IFRS 16 basis for the year ended 30 April 2021 is calculated as underlying EBIT of £40 million plus depreciation of property, plant and equipment of £5 million plus depreciation of right-of-use-assets of £36 million plus amortisation and impairment of computer software of £1 million (all on an IFRS 16 basis).
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13. The implied enterprise value / 2022 adjusted EBIT (IAS 17 basis) multiple of 13.6x when factoring in full annual run-rate cost synergies and 27.0x pre-synergies referred to in this Announcement is calculated based on
- (i) an enterprise value of £1,000 million, comprising:
 - a fully diluted equity value of £965 million based on the issued and to be issued share capital of Clipper as set out above; plus
 - the Clipper Directors' expectation for Clipper's net financial debt of £35 million (on an IAS 17 basis) for the year ending 30 April 2022, including the impact of the CE Repair Acquisition;
 - (ii) annual run-rate cost synergies of £36 million; and
 - (iii) the FY22 Clipper Profit Forecast of £37 million for 2022 adjusted EBIT.
14. The synergy numbers are unaudited and are based on analysis by GXO's management and on GXO's internal records. Further information underlying the GXO Quantified Financial Benefits Statement contained in this Announcement is provided in Appendix 4.
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Appendix 3

Details of Irrevocable Undertakings

Clipper Shareholder Irrevocable Undertakings

The following holders of Clipper Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by GXO) in relation to the following Clipper Shares:

Name	Number of Clipper Shares	Percentage of issued ordinary share capital of Clipper
Steve Parkin	15,128,000	14.76%
Sean Fahey	4,070,000	3.97%
Gurnaik Chima	3,000,000	2.93%
George Turner	650,428	0.63%
David Hodkin	600,376	0.59%
Tony Mannix	440,376	0.43%
Stuart Watson	4,000	0.00%

David Hodkin, Steve Parkin, George Turner, Gurnaik Chima, Sean Fahey and Tony Mannix have also given irrevocable undertakings to elect to receive 50 per cent. of their consideration in the form of New GXO Shares.

The irrevocable undertakings will cease to be binding only if:

- (a) GXO announces it does not intend to make or proceed with the Acquisition;
- (b) the Scheme lapses or is withdrawn; or
- (c) a competing offer for the entire issued and to be issued share capital of Clipper becomes or is declared unconditional or, if proceeding by way of scheme of arrangement, becomes effective,

and will remain binding in the event that a higher competing offer for Clipper is made.

Appendix 4

GXO Quantified Financial Benefits Statement

Part A

This Announcement contains statements of estimated cost synergies arising from the Acquisition (together, the “Quantified Financial Benefits Statement”).

A copy of the Quantified Financial Benefits Statement is set out below:

“The GXO Directors expect pre-tax run-rate cost synergies for the Enlarged Group of approximately £36 million to be realised by the end of the third year post completion of the Acquisition. The principal sources of these synergies are as follows:

- *approximately 54 per cent. from combining UK operations and support functions, including the removal of costs associated with Clipper’s status as a listed company, in the UK;*
- *approximately 19 per cent. from combining operations in other geographies and support functions in those geographies;*
- *approximately 17 per cent. from fleet procurement and maintenance savings; and*
- *approximately 10 per cent. from other cost and procurement savings.*

It is envisaged that the realisation of the identified cost synergies will result in non-recurring integration costs of approximately £30 million in aggregate over the first 3 years post completion of the Acquisition.

Potential areas of dis-synergy have also been considered and were determined by GXO Management to be immaterial for the analysis. The expected synergies will accrue as a direct result of the success of the Acquisition and would not be achieved on a standalone basis.”

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out below.

Bases of Belief for the Quantified Financial Benefits Statement

In preparing the Quantified Financial Benefits Statement, a synergy working group comprising key European and UK functional leaders with support from senior corporate personnel from GXO (the “Working Group”) was established to identify, challenge and quantify the potential synergies available from the Acquisition and to develop a preliminary strategy for the Enlarged Group.

As part of the high-level due diligence access which Clipper granted to GXO, certain financial, operational and headcount information to support the evaluation of potential synergies available from the Acquisition were shared, accompanied by virtual sessions between key management personnel of GXO and Clipper.

Based on the information shared and interactions with Clipper, the Working Group has performed a bottom-up analysis of GXO’s and Clipper’s costs base and has sought to include in the synergy analysis those costs which the Working Group believe will be either optimized or reduced as a result of the Acquisition. In circumstances where the information provided by Clipper has been limited for commercial or other reasons, the Working Group has made estimates and assumptions to aid its development of individual synergy initiatives. The assessment and quantification of the potential synergies have in turn been informed by GXO management’s industry experience as well as their experience of executing and integrating acquisitions in the past.

The baseline used as the basis for the Quantified Financial Benefits Statement is GXO's budgeted cost base for the financial year ending 31 December 2022, and Clipper's adjusted cost base for the year ending 30 April 2022, based on an extrapolation of the actual financial results for the first seven or eight months of the financial year ending April 2022 to a full year.

The quantified cost synergies are incremental to GXO's and, to the best of GXO's knowledge, Clipper's existing plans.

In addition to the stated base case, the Working Group has also developed an internal upside case with incremental benefits.

In arriving at the estimate of cost synergies set out in the Quantified Financial Benefits Statement, the GXO Directors have made the following assumptions:

- cost savings will be achieved on the basis of systems integration and by removing duplicate headcount on the basis of a "best of both" approach applied to GXO and Clipper where operational overlap exists as well as through a reduction in group related costs including professional and legal costs of operating a public company;
 - fleet procurement and maintenance savings will be achieved on the basis of Clipper's existing commercial vehicle business which includes repairs and maintenance services for vehicles used by GXO;
 - other cost and procurement savings will be achieved on the basis of enhanced scale and purchasing power in areas including labour and facility costs;
 - synergy estimates are stated net of any assumed customer pass-through elements;
 - there will be no material impact on the underlying operations of either company or their ability to continue to conduct their businesses, including as a result of, or in connection with, the Acquisition;
 - there will be no material change to macroeconomic, political, regulatory, legal or tax conditions in the markets or regions in which GXO and Clipper operate that will materially impact the implementation of, or costs to achieve, the expected cost synergies;
 - there will be no material divestments from the existing businesses of either GXO or Clipper;
 - there will be no material change in current foreign exchange rates; and
 - there will be no business disruptions that materially affect either company, including natural disasters, acts of terrorism, cyber-attacks and/or technological issues or supply chain disruptions.
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Reports

As required by Rule 28.1(a) of the Code, KPMG LLP, as reporting accountants to GXO, and Rothschild & Co, as financial adviser to GXO, have provided the reports required under that Rule.

Copies of these reports are included in Part B and Part C of this Appendix 4. Each of KPMG LLP and Rothschild & Co has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

Notes

1. The Quantified Financial Benefits Statement relates to future actions and circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated cost savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.
2. The Quantified Financial Benefits Statement should not be construed as a profit forecast or interpreted to mean that GXO's earnings in the first full year following the effective date, or in any subsequent period, will necessarily match or be greater than or be less than those of GXO or Clipper for the relevant preceding financial period or any other period.

For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement is the responsibility of GXO and the GXO Directors.

Part B

Report from KPMG LLP

The Directors
GXO Logistics, Inc.
Two American Lane
Greenwich, CT 06831
USA

Rothschild & Co
New Court, St Swithin's Lane
London EC4N 8AL
United Kingdom

28 February 2022

Ladies and Gentlemen

GXO Logistics, Inc

We report on the statement ('the Statement') made by the directors of GXO Logistics, Inc. ('the Directors') on page 23 of this Announcement to the effect that:

"The GXO Directors expect pre-tax run-rate cost synergies for the Enlarged Group of approximately £36 million to be realised by the end of the third year post completion of the Acquisition. The principal sources of these synergies are as follows:

- approximately 54 per cent. from combining UK operations and support functions, including the removal of costs associated with Clipper's status as a listed company, in the UK;*
- approximately 19 per cent. from combining operations in other geographies and support functions in those geographies;*
- approximately 17 per cent. from fleet procurement and maintenance savings; and*
- approximately 10 per cent. from other cost and procurement savings.*

It is envisaged that the realisation of the identified cost synergies will result in non-recurring integration costs of approximately £30 million in aggregate over the first 3 years post completion of the Acquisition.

Potential areas of dis-synergy have also been considered and were determined by GXO Management to be immaterial for the analysis. The expected synergies will accrue as a direct result of the success of the Acquisition and would not be achieved on a standalone basis."

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers ('the City Code') and is given for the purpose of complying with that requirement and for no other purpose.

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Part A of Appendix 4 to this Announcement setting out, inter alia, the basis of the Directors' belief (including the principal assumptions and sources of information) supporting the Statement and their analysis and explanation of the underlying constituent elements.

Responsibilities

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of Rule 28 of the City Code.

It is our responsibility to form an opinion, as required by Rule 28.1(a) of the City Code as to whether the Statement has been properly compiled on the basis stated and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code, consenting to its inclusion in this Announcement.

Basis of preparation of the Statement

The Statement has been prepared on the basis stated in Part A of Appendix 4 to this Announcement.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

We have discussed the Statement, together with the underlying plans, with the Directors and Rothschild & Co. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement. The Statement is subject to uncertainty as described in Part A of Appendix 4 to this Announcement. Because of the significant changes in the enlarged group's operations expected to flow from the transaction and since the Statement relates to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully

KPMG LLP

Part C

The Directors
GXO Logistics, Inc
Two American Lane
Greenwich
CT 06831
USA

28 February 2022

Dear Sirs,

Report on Quantified Financial Benefits Statement in relation to the firm intention to make an offer for Clipper Logistics plc by GXO Logistics, Inc ("GXO")

We refer to the Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the "Statement") as set out in Part A of Appendix 4 to this Announcement, for which the Board of GXO (the "Directors") are solely responsible under Rule 28 of the City Code on Takeovers and Mergers (the "Code").

We have discussed the Statement (including the assumptions and sources of information referred to therein), with the Directors and those officers and employees of GXO who developed the underlying plans, as well as with KPMG LLP. The Statement is subject to uncertainty as described in this Announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by, or on behalf of, GXO, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any opinion as to the achievability of the quantified financial benefits identified by the Directors.

We have also reviewed the work carried out by KPMG LLP and have discussed with them the opinion set out in Part B of Appendix 4 to this Announcement addressed to yourselves and ourselves on this matter.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to GXO or its shareholders or any person other than the Directors in respect of the contents of this letter. We are acting as financial adviser to GXO and no one else in connection with the Acquisition and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that GXO requested us to prepare this report on the Statement. No person other than the Directors can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its results, or the work undertaken in connection with this letter, or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which you as the Directors are solely responsible, has been prepared with due care and consideration.

Yours faithfully,

N.M. Rothschild & Sons Limited

Appendix 5 Definitions

The following definitions apply throughout this Announcement unless the context requires otherwise.

“£”, “GBP”, “Sterling”, “pence” or “p”	the lawful currency of the UK
“\$”, “USD”, “Dollars”, “cents” or “c”	the lawful currency of the United States of America
“Acquisition”	the direct or indirect acquisition of the entire issued and to be issued share capital of Clipper by GXO (other than Clipper Shares already held by GXO, if any) to be implemented by way of the Scheme or (should GXO so elect, subject to the consent of the Panel) by way of the Scheme
“Agreed Value of a GXO Share”	determined by GXO’s trailing 3-month volume weighted average price of US\$86.20 and the trailing 3-month average USD/GBP exchange rate of 0.7432
“Announcement”	this announcement made pursuant to Rule 2.7 of the Code
“Barclays”	Barclays Bank PLC, acting through its investment bank
“Bridge Facility”	the term bridge facility referred to in paragraph 12 of this Announcement
“Business Day”	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and New York
“Clipper”	Clipper Logistics plc
“Clipper Board”	the board of directors of Clipper
“Clipper Directors”	the directors of Clipper at the date of this Announcement or, where the context so requires or admits, the directors of Clipper from time to time
“Clipper Group”	Clipper and its subsidiary undertakings
“Clipper Meetings”	the General Meeting and the Court Meeting
“Clipper PSP”	the Clipper Performance Share Plan approved by Clipper Shareholders on 29 September 2014 and amended by the Clipper Remuneration Committee on 20 July 2018

“Clipper Remuneration Committee”	the remuneration committee of the board of Clipper as constituted at any time and from time to time prior to the Acquisition
“Clipper Shareholder Directors”	David Hodkin, Steve Parkin, Stuart Watson and Tony Mannix
“Clipper Shareholders”	the registered holders of Clipper Shares from time to time
“Clipper Share Schemes”	the Clipper Sharesave Plan and Clipper PSP
“Clipper Shares”	ordinary shares of 0.05 pence each in the capital of Clipper
“Clipper Sharesave Plan”	the Clipper Sharesave Plan approved by Clipper Shareholders on 29 September 2014 and amended by the board of Clipper on 20 July 2018
“Code”	the City Code on Takeovers and Mergers
“Companies Act”	the Companies Act 2006, as amended from time to time
“Conditions”	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document
“Consideration”	the basic consideration payable to Clipper Shareholders in connection with the Acquisition comprising a share component of 0.0359 New GXO Shares per Scheme Share and a cash component of 690 pence per Scheme Share, subject to final allocations under the Mix and Match Facility
“Co-operation Agreement”	the co-operation agreement entered into between Clipper and GXO relating, amongst other things, to the implementation of the Acquisition
“Court”	the High Court of Justice of England and Wales
“Court Meeting”	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form

“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
“Disclosed”	information which has been fairly disclosed by or on behalf of Clipper: (i) in the annual report and accounts of the Clipper Group for the 12 month period to 30 April 2021; (ii) in the half yearly results announcement of the Clipper Group for the six month period to 31 October 2021; (iii) in this Announcement; (iv) in any other public announcement by, or on behalf of, Clipper in accordance with the Listing Rules, Disclosure Guidance and Transparency Rules of the FCA (as applicable) prior to the date of this Announcement; or (v) in writing prior to the date of this Announcement by or on behalf of Clipper to GXO (or its respective officers, employees, agents or advisers in their capacity as such), including in the virtual data room operated by or on behalf of Clipper with the name “Project Clipper”
“Effective Date”	the date upon which the Scheme becomes effective in accordance with its terms
“Enlarged Group”	the enlarged group comprising the GXO Group and the Clipper Group following completion of the Acquisition
“Exchange Ratio”	such number of New GXO Shares as would imply a valuation of 230 pence based on the trailing GXO 3-month volume weighted average price and a trailing 3-month average USD/GBP exchange
“Excluded Shares”	(i) any Clipper Shares beneficially owned by GXO or any other member of the GXO Group; and (ii) any Clipper Shares held in treasury by Clipper
“FCA”	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA
“Forms of Proxy”	the form of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
“FSMA”	the Financial Services and Markets Act 2000
“FY21”	the financial year ended 30 April 2021
“FY22”	the financial year ended 30 April 2022

“FY23”	the financial year ended 30 April 2023
“General Meeting”	the general meeting of Clipper to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof
“GXO”	GXO Logistics, Inc.
“GXO Directors”	the directors of GXO at the date of this Announcement or, where the context so requires or admits, the directors of GXO from time to time
“GXO Group”	GXO and its subsidiary undertakings
“IFRS”	International Financial Reporting Standards
“Last Practicable Date”	the last business day prior to this Announcement
“Listing Rules”	the rules and regulations made by the FCA under FSMA, and contained in the publication of the same name
“London Stock Exchange”	London Stock Exchange plc
“Long-Stop Date”	28 November 2022, or such later date as may be agreed in writing by GXO and Clipper (either with the Panel’s consent if required or as the Court may approve (if such approval is required))
“Mix and Match Facility”	the facility under which Scheme Shareholders will be entitled to elect to vary the proportions in which they receive New GXO Shares and in which they receive cash in respect of their holdings of Scheme Shares
“New GXO Shares”	the new GXO shares of common stock with a par value of USD 0.01 per share proposed to be issued to Clipper Shareholders in connection with the Acquisition
“Numis”	Numis Securities Limited
“NYSE”	New York Stock Exchange LLC
“Official List”	the official list maintained by the FCA pursuant to Part 6 of FSMA
“Overseas Shareholders”	Clipper Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or the United States
“Panel”	the UK Panel on Takeovers and Mergers
“PRA”	Prudential Regulation Authority
“Registrar of Companies”	the Registrar of Companies in England and Wales

“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Clipper Shareholders in that jurisdiction
“Rothschild & Co”	N.M. Rothschild & Sons Limited
“Scheme”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Clipper and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Clipper and GXO
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme
“Scheme Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
“Scheme Document”	the document to be sent to (among others) Clipper Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting
“Scheme Record Time”	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date
“Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	<p>Clipper Shares:</p> <ul style="list-style-type: none"> (a) in issue as at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and (c) (if any) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme, <p>but in each case other than the Excluded Shares</p>

“Scheme Voting Record Time”	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
“Special Resolution”	the special resolutions to be proposed by Clipper at the General Meeting in connection with, among other things, the approval of the Scheme and the proposed alteration of Clipper’s articles of association under which any Clipper Shares issued or transferred after the Scheme Record Time shall be automatically transferred to GXO (or as it may direct) and such other matters as may be necessary to implement the Scheme and the delisting of the Clipper Shares
“Substantial Interest”	a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking
“Takeover Offer”	if (subject to the consent of the Panel) GXO elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 29 of the Companies Act), the offer to be made by or on behalf of GXO to acquire the issued and to be issued ordinary share capital of Clipper on the terms and subject to the conditions to be set out in the related offer document
“treasury shares”	any Clipper Shares held by Clipper as treasury shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States of America”, “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“US Securities Act”	the United States Securities Act of 1933, and the rules and regulations promulgated thereunder
“Wider Clipper Group”	Clipper and the subsidiaries and subsidiary undertakings of Clipper and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Clipper Group is interested or any undertaking in which Clipper and such undertakings (aggregating their interests) have a Substantial Interest)
“Wider GXO Group”	GXO and the subsidiaries and subsidiary undertakings of GXO and associated undertakings (including any joint venture, partnership, firm or company in which any member of the GXO Group is interested or any undertaking in which GXO and such undertakings (aggregating their interests) have a Substantial Interest)

For the purposes of this Announcement, “subsidiary”, “subsidiary undertaking”, “undertaking”, “associated undertaking” have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Announcement. All references to time in this Announcement are to London time unless otherwise stated.

___ February 2022

GXO LOGISTICS, INC.

CLIPPER LOGISTICS PLC

COOPERATION AGREEMENT



100 Bishopsgate
London EC2P 2SR

CONTENTS

CLAUSE	PAGE
1. Definitions and interpretation	2
2. Publication of the Announcement and the terms of the Acquisition	9
3. Regulatory clearances	9
4. Scheme Document	13
5. Implementation of the Acquisition and Conduct of Business	13
6. New GXO Shares and compliance with US securities laws	15
7. Switching to a Takeover Offer	16
8. Clipper Share Schemes	17
9. Directors' and officers' insurance	17
10. Announcements	17
11. Termination	18
12. Takeover Code	19
13. Representations and warranties	20
14. Costs	21
15. Entire agreement	21
16. Assignment	21
17. Notices	22
18. Language	23
19. Waivers, rights and remedies	23
20. No partnership	23
21. Further assurances	23
22. Counterparts	23
23. Variations	24
24. Invalidity	24
25. Third party enforcement rights	24
26. Governing law and jurisdiction	24
Schedule 1 Form of Announcement	28
Schedule 2 Clipper Share Schemes	29

THIS AGREEMENT is made on __ February 2022

BETWEEN:

- (1) **GXO LOGISTICS, INC**, a Delaware corporation with file number 5114412, whose registered office is at Two American Lane, Greenwich, CT 06831, United States (**GXO**); and
- (2) **CLIPPER LOGISTICS PLC**, a public limited company registered in England and Wales with registered number 03042024, whose registered office is at Clipper Logistics Group, Gelderd Road, Leeds, West Yorkshire, LS12 6LT (**Clipper**),

(each a **party** and together the **parties**).

WHEREAS:

- (A) GXO proposes to announce immediately following execution of this Agreement a firm intention to make a recommended offer for the entire issued and to be issued share capital of Clipper pursuant to Rule 2.7 of the Code.
- (B) The Acquisition will be made on the terms and subject to the conditions set out in the Announcement and this Agreement.
- (C) The parties intend that the Acquisition will be implemented by way of the Scheme, although GXO reserves the right, subject to the terms of this Agreement and the Announcement, to implement the Acquisition by way of the Takeover Offer.
- (D) The parties are entering into this Agreement to set out certain obligations and commitments in relation to the implementation of the Acquisition (whether by way of the Scheme or the Takeover Offer).

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 In this Agreement (including the recitals but excluding Schedule 1), the terms and expressions listed in this clause 1.1 shall have the meanings set out in this clause 1.1. Terms and expressions used in Schedule 1 shall have the meanings given to them in Schedule 1.

Acceptance Condition means the acceptance condition to any Takeover Offer;

Acquisition means the direct or indirect acquisition of the entire issued and to be issued share capital of Clipper by GXO (other than any Clipper Shares already held by the GXO Group), to be effected by way of: (i) the Scheme; or (ii) the Takeover Offer (as the case may be);

Acquisition Document means (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if the Takeover Offer is (or is to be) implemented, the Offer Document;

Agreed Switch has the meaning given in clause 7.1(a);

Announcement means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in Schedule 1;

Business Day means a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and New York;

Clipper Board means the board of directors of Clipper from time to time;

Clipper Board Recommendation means a unanimous and unqualified recommendation from the Clipper Directors to Clipper Shareholders in respect of the Acquisition: (i) to vote in favour of the Clipper Resolutions; or (ii) following an Agreed Switch, to accept the Takeover Offer;

Clipper Directors means the directors of Clipper from time to time;

Clipper General Meeting means the general meeting of Clipper to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof;

Clipper Group means Clipper and its subsidiary undertakings and **member of the Clipper Group** shall be construed accordingly;

Clipper Representative has the meaning given in clause 13.4;

Clipper Resolutions means such shareholder resolutions of Clipper as are necessary to approve, implement and effect the Scheme and the Acquisition;

Clipper Share Schemes means the Sharesave Plan and the PSP;

Clipper Shareholder Meetings means the Court Meeting and the Clipper General Meeting;

Clipper Shareholders means the holders of Clipper Shares from time to time;

Clipper Shares means the ordinary shares of 0.05 pence each in the capital of Clipper, from time to time;

Clean Team Arrangements means the arrangements governing the exchange of competitively and commercially sensitive information established pursuant to the Clean Team Agreement between Clipper and GXO dated 21 February 2022 and any additional clean team confidentiality agreements between Clipper and GXO that may be concluded at a later stage;

Clearances means any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and waiting periods that may need to have expired, from or under any of the Laws applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions;

Code means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

Companies Act means the Companies Act 2006;

Competing Proposal means:

- (a) an offer (including a partial, exchange or tender offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued or to be issued ordinary share capital of Clipper (when aggregated with the shares already held by the acquirer and any person acting or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Code) of Clipper;
- (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Clipper Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Clipper Group calculated by reference to any of its revenue, profits or value taken as a whole; or
- (d) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede or delay or otherwise prejudice the implementation of the Acquisition (including, for the avoidance of doubt, any transaction or arrangement which would constitute a Class 1 transaction for the purposes of the Listing Rules undertaken by a member of the Clipper Group),

in each case which is not effected by GXO (or a person acting in concert with GXO) or at GXO's direction, and in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

Conditions means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to the Announcement and to be set out in the Acquisition Document, as may be amended by GXO with the consent of the Panel (and, for so long as the Scheme is subject to a unanimous and unqualified recommendation from the board of directors of Clipper, with the consent of Clipper); and
- (b) for so long as the Acquisition is being implemented by means of a Takeover Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition and as may be further amended by GXO with the consent of the Panel (and in the case of an Agreed Switch, and for so long as the Offer is subject to a unanimous and unqualified recommendation from the board of directors of Clipper, with the consent of Clipper),

and **Condition** shall be construed accordingly;

Confidentiality Agreement means the confidentiality agreement between GXO and Clipper in relation to the Acquisition dated 2 February 2022;

Consideration has the meaning set out in the Announcement;

Costs means losses, damages, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

Court means the High Court of Justice in England and Wales;

Court Hearing means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order;

Court Hearing Date means the date upon which the Court Hearing is held;

Court Meeting means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof;

Court Order means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act;

Effective Date means:

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if GXO elects to implement the Acquisition by means of a Takeover Offer, the date that the Takeover Offer becomes or is declared unconditional in all respects;

Exchange Act means the United States Securities Exchange Act of 1934;

Form S-4 has the meaning given to it in clause 6.3(a);

General Meeting has the meaning given in the Announcement;

GXO Board means the board of directors of GXO from time to time;

GXO Directors means the directors of GXO from time to time;

GXO Group means GXO and its subsidiary undertakings and **member of the GXO Group** shall be construed accordingly;

GXO Shareholders means the holders of GXO Shares from time to time;

GXO Shares means the shares of common stock, par value \$0.01 per share, of GXO;

Group means, in relation to any person, that person and any bodies corporate which are subsidiaries or subsidiary undertakings of that person;

Law means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, practices, interpretation or rule of common law issued, administered or enforced by any Relevant Authority, or any judicial or administrative interpretation thereof;

Listing Rules means the rules and regulations made by the Financial Conduct Authority in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority's publication of the same name;

London Stock Exchange means London Stock Exchange plc;

Long-Stop Date means 28 November 2022, or such later date as may be agreed in writing by GXO and Clipper (either with the Panel's consent if required or at the direction of the Panel under Note 3 on Section 3 of Appendix 7 to the Code) and as the Court may approve (if such approval is required);

New GXO Shares means the GXO Shares to be issued by GXO to Clipper Shareholders as part of the consideration for the Acquisition;

NYSE means New York Stock Exchange LLC;

Offer Document means, if (following the date of this Agreement) GXO elects to implement the Acquisition by way of the Takeover Offer in accordance with clause 7.1, the document to be sent to (among others) Clipper Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer;

Panel means the UK Panel on Takeovers and Mergers;

PSP means the Clipper Logistics plc Performance Share Plan approved by shareholders on 29 September 2014 and amended by the Remuneration Committee on 20 July 2018;

Regulatory Conditions means the conditions set out in paragraphs 4 to 9 (inclusive) of Part A of Appendix 1 to the Announcement (so far as, in the case of 8 and 9 the relevant Third Party under that Condition is a Relevant Authority);

Regulatory Information Service means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;

Relevant Authority means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and foreign investment review body), national, federal, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction;

Remedies means any conditions, measures, commitments, undertakings, remedies (including disposals (whether before or following completion of the Acquisition) and any pre-divestiture reorganisations by a party) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances and **Remedy** shall be construed accordingly;

Scheme means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Clipper and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Clipper and GXO;

Scheme Conditions means the conditions referred to in paragraph 2 of Part A of Appendix 1 to the Announcement;

Scheme Document means the document to be sent to (among others) Clipper Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Clipper General Meeting;

Scheme Record Time has the meaning given in the Announcement;

Scheme Shareholders means the holders of Scheme Shares;

Scheme Shares has the meaning given in the Announcement;

Securities Act means the United States Securities Act of 1933;

Sharesave Plan means the Clipper Sharesave Plan approved by shareholders on 29 September 2014 and amended by the board of directors on 20 July 2018;

Switch has the meaning given in clause 7.1;

Takeover Offer means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of GXO to acquire the entire issued and to be issued share capital of Clipper on the terms and conditions to be set out in the Offer Document;

Taxation means all forms of taxation and statutory and governmental, state, provincial, local governmental or municipal charges, duties, contributions and levies, withholdings and deductions wherever and whenever imposed and all related penalties and interest;

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland;

Working Hours means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day; and

VAT means value added tax and any similar sales or turnover tax.

1.2 In this Agreement, unless the context otherwise requires:

(a) the expressions **subsidiary** and **subsidiary undertaking** have the meanings given in the Companies Act;

- (b) the expressions **acting in concert** and **concert parties** shall be construed in accordance with the Code;
- (c) **interest** in shares or securities shall be construed in accordance with the Code;
- (d) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision as well as any rules or regulations promulgated thereunder and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (e) references to a **person** include any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (f) references to a recital, paragraph, clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
- (g) headings do not affect the interpretation of this Agreement, the singular shall include the plural and *vice versa*, and references to one gender include all genders;
- (h) references to time are to London time;
- (i) any reference to a **day** (including within the phrase **Business Day**) shall mean a period of 24 hours running from midnight to 11:59 p.m.;
- (j) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
- (k) references to **£, GBP, pounds sterling, Sterling, pence** and **p** are references to the lawful currency from time to time of the United Kingdom;
- (l) any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (m) the phrase **to the extent** shall mean the degree to which a subject or other theory extends and such phrase shall not mean 'if';
- (n) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
- (o) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.

1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. Publication of the Announcement and the terms of the Acquisition

2.1 The obligations of the parties under this Agreement, other than this clause 2.1 and clauses 12 to 20 (inclusive) and 22 to 26 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 7:30 a.m. on the date of this Agreement or such later time and date as the parties may agree (and, where required by the Code, the Panel may approve). This clause 2.1 and clauses 12 to 20 (inclusive) and 22 to 26 (inclusive) shall take effect on and from execution of this Agreement.

2.2 The terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Acquisition, which will be at the absolute discretion of GXO) and, where required by the Code, approved by the Panel. The terms of the Acquisition at the date of publication of the Acquisition Document shall be set out in the Acquisition Document.

3. Regulatory clearances

3.1 Except where otherwise required by Law or a Relevant Authority, GXO shall:

- (a) after prior consultation with Clipper and having considered (acting in good faith) Clipper's reasonable requests in connection therewith (noting that, for the avoidance of doubt, GXO shall be under no obligation to accept any such requests) determine the strategy for obtaining the Clearances to implement the Acquisition including (i) the timing and sequencing regarding the discussion, offer or agreement of Remedies with Relevant Authorities; and (ii) the determination of Remedies discussed with, offered to or agreed with Relevant Authorities;
- (b) contact and correspond with the Relevant Authorities in relation to such Clearances (including submitting and preparing all necessary filings, notifications and submissions); and
- (c) be responsible for the payment of all filing, administrative or other similar fees required in connection with the Clearances.

3.2 Without prejudice to GXO's rights to determine the strategy to be pursued in accordance with clause 3.1, GXO shall use reasonable endeavours to secure the Clearances by the Long-Stop Date to implement the Acquisition and shall consult with Clipper to the extent reasonable and keep it reasonably updated as to progress towards the satisfaction of the Clearances, including taking the steps set out below. For the avoidance of doubt, nothing in this Agreement shall oblige GXO or Clipper to agree to any Remedy or to waive or treat as satisfied any Regulatory Conditions in each case which in the reasonable opinion of GXO or Clipper acting in good faith, as applicable, is considered to be material to its assessment of the Acquisition.

3.3 GXO and Clipper shall:

- (a) provide each other, in a timely manner, such information and assistance as may be reasonably required for:
 - (i) GXO to determine in which jurisdictions any merger control, regulatory or other filing, notification or submission with a Relevant Authority may be necessary for the purposes of obtaining the Clearances;
 - (ii) the parties to make any filings, notifications or submissions to the Relevant Authorities as are necessary in connection with the obtaining of the Clearances, taking into account all applicable waiting periods; and
 - (iii) the identification, structuring and preparation of any Remedies; and
- (b) ensure that all information reasonably necessary:
 - (i) for the making of (or responding to any requests for further information consequent upon) any such filings, notifications, submissions (including draft versions); and
 - (ii) the identification, structuring and preparation of any Remedies,

(and that is in the possession of, or reasonably obtainable by, such party) is supplied accurately and as promptly as reasonably practicable.

3.4 For the purposes of clause 3.3:

- (a) each of the parties shall take reasonable steps to obtain relevant information from third parties (including through the exercise of contractual rights), it being acknowledged that a party shall not be in breach of this clause or clause 3.3 as a consequence of any inaccuracies in any information originating from a third party (being a person other than a member, officer, employee or adviser of the Clipper Group or the GXO Group (as applicable));
- (b) the parties acknowledge that in certain circumstances disclosure by one party to the other may nonetheless be prevented by obligations of confidentiality owed to third parties or by Law; and
- (c) the provision of information shall be subject to clause 3.6.

3.5 Subject to clause 3.1 and without prejudice to the generality of clause 3.3, and except to the extent that to do so is prohibited by Law:

- (a) GXO, or Clipper and GXO jointly, or Clipper, as may be required, will submit a filing, notification or submission (as required) to each Relevant Authority as soon as is reasonably practicable after the signing of this Agreement and in any event within any applicable mandatory time periods where it is necessary or expedient to do so to obtain the Clearances;

- (b) each party shall provide such cooperation as is reasonably required by the other in connection with the preparation of all such filings, notifications or submissions (as required) referred to in clause 3.5(a) and in relation to the preparation of any other submissions, material correspondence or material communications to any Relevant Authority in connection with the Clearances;
- (c) each party shall provide, or procure the provision of, draft copies of all filings, submissions, material correspondence and material communications (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications) intended to be sent or communicated to any Relevant Authority in relation to obtaining any Clearances to the other party and its legal advisers at such time as will allow the receiving party a reasonable opportunity to provide comments on such filings, submissions, correspondence and communications before they are submitted, sent or made and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications);
- (d) each party shall have regard in good faith to comments made in a timely manner by the other party on draft copies of filings, submissions, material correspondence and material communications provided pursuant to clause 3.5(c);
- (e) each party shall notify the other party, and provide copies (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications), in a timely manner of any material correspondence or material communication from any Relevant Authority in relation to obtaining any Clearance;
- (f) each party shall keep the other party reasonably informed as to the progress of any notification submitted pursuant to clause 3.5(a) and shall reasonably consider requests by the other party or its advisers: (i) to attend all meetings or material calls with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, Law or other person or body) relating to obtaining any Clearance; and (ii) to make reasonable oral submissions at such meetings or calls (provided that, to the extent possible, such oral submissions have been discussed in advance); and
- (g) where reasonably requested by a party, and insofar as permitted by the Relevant Authority, the other party shall make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearances.

3.6 If a provision of this Agreement obliges the parties to disclose any information to the other:

- (a) which the disclosing party reasonably considers to be competitively sensitive;

- (b) which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; or
- (c) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall disclose the relevant information to the other party: (i) pursuant to Clean Team Arrangements or as the disclosing party and the other party may otherwise agree; or (ii) where disclosure in a manner contemplated by clause 3.5(a) would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, directly to a Relevant Authority (and in such circumstances, the disclosing party shall provide to the other party a non-confidential version of such information).

- 3.7 To the extent that Clipper provides GXO with any information, assistance and/or access to Clipper's senior management for the purposes of preparing for and monitoring the integration of the businesses of the GXO Group and the Clipper Group after the Effective Date (which Clipper is under no obligation to provide), any competitively sensitive information shall be provided on an outside counsel basis only or pursuant to the Clean Team Arrangements.
- 3.8 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require a party or any of its concert parties to take, or cause to be taken, any action with respect to the divestiture of any assets, properties or businesses of the Clipper Group, or any combination thereof, that is not conditional on completion of the Acquisition, except as otherwise agreed by the parties.
- 3.9 Where obligations of Clipper in this clause 3 are expressed to relate to Clearances, the defined term "Clearances" shall be deemed to be amended to remove the term "expedient".
- 3.10 Without prejudice to clauses 7.1 and 11.1, nothing in clause 3 shall require the Clipper Directors to maintain their recommendation that Clipper Shareholders vote in favour of the Clipper Resolutions or to adjourn or seek to adjourn (or refrain from adjourning or seeking to adjourn) any shareholder meeting or court hearing which has been or will be convened in relation to the Acquisition or require Clipper or GXO to make any change (or refrain from making any change) to the timetable for implementing the Acquisition.
- 3.11 GXO undertakes to Clipper that it will not, and will procure that no other member of the GXO Group shall, knowingly do any act, matter or thing outside the ordinary course of the GXO Group's business which would, or would be likely to have the effect of materially delaying satisfaction of any of the Regulatory Conditions beyond the Long Stop Date or agree to do such act, matter or thing without the prior approval of Clipper.

4. Scheme Document

4.1 Subject to clause 3.6, GXO undertakes to (and undertakes to procure that each member of the GXO Group will):

- (a) promptly to provide Clipper all such information about itself, its directors and the GXO Group as may reasonably be requested and which is required by Clipper (having regard to the Code and other Law) for inclusion in the Scheme Document (including any information required under the Code or other Law) or any other document required to be produced by Clipper in connection with the Acquisition (including any supplementary circular);
- (b) promptly to provide Clipper with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Acquisition (including any supplementary circular), including access to, and ensuring the provision of reasonable assistance by, GXO's relevant professional advisers; and
- (c) to procure that the GXO Directors (and any other person connected with GXO and/or the GXO Group) accept responsibility, in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme relating to themselves (and members of their immediate families, related trusts and persons connected with them), the GXO Group, the financing of the Acquisition, information on GXO's future plans for the Clipper Group, its management and employees, any statements of opinion, belief or expectation of the GXO Directors in relation to the Acquisition or the enlarged group of GXO following the Effective Date and any other information in the Scheme Document for which GXO is required to accept responsibility under the Code.

4.2 If any supplementary circular is required to be published by Clipper in connection with the Scheme, GXO shall, as soon as reasonably practicable, provide such co-operation and information (including such information as is necessary or reasonably required for such supplementary circular or document to comply with any Law) as Clipper may reasonably request in order to prepare and publish such document.

4.3 GXO and Clipper each agrees to correct any information provided by it for use in the Scheme Document or any other document to be prepared in connection with the Acquisition to the extent that such information has become false or misleading, and to notify the other party or parties as promptly as reasonably practicable after that party becomes aware that such information has become false or misleading.

5. Implementation of the Acquisition and Conduct of Business

5.1 Where the Acquisition is being implemented by way of the Scheme:

- (a) GXO undertakes, save in respect of GXO's obligations with respect to obtaining the Clearances, which shall be determined in accordance with clause 3, to co-operate with Clipper and its advisers and to take or cause to be taken all such steps as are permissible by the Takeover Code and Law and are within its power that are necessary or reasonably requested by Clipper to implement the Acquisition in accordance with, and subject to the terms and conditions set out in, this Agreement, the Announcement and the Scheme Document (or, following an Agreed Switch, the Offer Document);

- (b) GXO undertakes that it will not object to the Court Sanction Hearing being convened as soon as reasonably practicable after the satisfaction or waiver of the Clearances and the Clipper Resolutions;
- (c) GXO undertakes that, by no later than 11.59 p.m. on the Business Day immediately preceding the Sanction Hearing, it shall deliver a notice in writing to Clipper either:
 - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
 - (ii) confirming its intention to invoke a Condition (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which GXO reasonably considers to be sufficiently material for the Panel to permit it to invoke the Condition (and, if such matter is capable of remedy by Clipper, shall provide Clipper with reasonable opportunity to remedy such matter);
- (d) where GXO confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions) in accordance with clause 5.1(c)(i), GXO agrees that Clipper shall be permitted to take the necessary steps to procure that the Sanction Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed between the parties and included in the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Acquisition); and
- (e) GXO shall instruct counsel to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to GXO.

5.2 If GXO becomes aware, after the publication of the Scheme Document, of any fact, matter or circumstance that is (in GXO's reasonable opinion likely to (i) significantly change the Scheme timetable or (ii) applying the test set out in Rule 13.5 of the Code, permit GXO to invoke any of the Conditions, GXO shall (subject to Law) inform Clipper of the same as soon as reasonably practicable, providing reasonable details of such fact, matter or circumstance.

5.3 Except: (i) with the prior written consent of Clipper (such consent not to be unreasonably withheld, conditioned or delayed); (ii) as required by Law or the terms of any contract with a third party by which GXO is bound and which has been fairly disclosed to Clipper or publicly announced before the date of this Agreement; or (iii) as expressly contemplated by this Agreement or the Announcement, GXO shall not (and shall procure that no member of the GXO Group shall) before the Effective Date:

- (a) split, combine, consolidate, sub-divide, reclassify or cancel any GXO Shares or any shares of capital stock, voting securities or equity interests of GXO or any securities convertible into, or rights to acquire, shares of capital stock, voting securities or equity interests of GXO or which otherwise refer to the value of shares of capital stock of GXO;

- (b) amend its organisational documents in a manner likely to have a material adverse effect for Clipper Shareholders who are due to receive GXO Shares pursuant to the Acquisition;
- (c) adopt a plan liquidating GXO or any material member of the GXO Group;
- (d) delist the GXO Shares from NYSE, other than in the event of a bona fide offer to take GXO private provided that (i) the Clipper Shareholders who are due to receive GXO Shares can participate in such offer on the same terms as other GXO Shareholders; and (ii) the delisting occurs after the Effective Date; or
- (e) agree, resolve, commit or announce its intention to do any of the foregoing (as applicable), whether conditionally or unconditionally.

5.4 The restrictions in clause 5.3 shall not apply to any transaction or arrangement between one member of the GXO Group and another member of the GXO Group.

6. New GXO Shares and compliance with US securities laws

6.1 GXO shall cause all New GXO Shares to be issued to Clipper Shareholders pursuant to the Acquisition to be authorised for listing on NYSE, subject only to official notice of issuance, prior to the Effective Date.

6.2 GXO shall use all reasonable endeavours to cause all New GXO Shares which are issued to Clipper Shareholders upon the Scheme becoming effective to be issued in reliance on the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) of the Securities Act.

6.3 If GXO elects to Switch pursuant to and in accordance with clause 7.1 below:

- (a) GXO shall use all reasonable endeavours to take all actions required to be taken under the Securities Act and the Exchange Act to effect the Takeover Offer and the issuance of the New GXO Shares pursuant thereto, including filing with the SEC a Registration Statement on Form S-4 (the **Form S-4**) under the Securities Act for the offer and sale of the New GXO Shares; and
- (b) Clipper shall use all reasonable endeavours to promptly provide GXO with any and all information required or reasonably requested in order to facilitate the drafting and filing of the Form S-4 and all such other assistance and access as may be necessary or reasonably required in connection with the preparation of any other document (including any amendment or supplement thereto) required by the Securities Act, the Exchange Act or other Law to be produced by GXO in connection with the Acquisition, including providing access to Clipper's relevant professional advisers.

6.4 GXO shall cause all New GXO Shares which are issued to Clipper Shareholders pursuant to the Scheme or the Takeover Offer (as the case may be) to be issued and credited as fully paid and rank pari passu with all other GXO Shares.

7. Switching to a Takeover Offer

7.1 The parties currently intend that the Acquisition will be implemented by way of the Scheme. However, GXO shall be entitled, with the consent of the Panel, to implement the Acquisition by way of the Takeover Offer rather than the Scheme (such election being a **Switch**) if:

- (a) Clipper provides its prior written consent (an **Agreed Switch**), in which case clause 7.2 shall apply;
- (b) a third party announces a firm intention to make a Competing Proposal which is recommended in whole or in part by the Clipper Board;
- (c) a third party announces that it is considering making a Competing Proposal, or either Clipper or GXO notifies the other that it is aware of the existence of a bona fide potential offeror (within the meaning of Rule 21.3 of the Code) for all or part of the issued and to be issued ordinary share capital of Clipper provided that GXO consults with Clipper prior to making the Switch in such circumstances;
- (d) the Clipper Directors withdraw, adversely modify or adversely qualify the Clipper Board Recommendation; or
- (e) Clipper adjourns one or more of the Court Meeting, the Clipper General Meeting or the Court Hearing, in each case without prior written consent of GXO.

7.2 In the event of any Agreed Switch, unless otherwise agreed with Clipper or required by the Panel:

- (a) the Acceptance Condition shall be set at seventy five (75) per cent of the Clipper Shares to which the Takeover Offer relates (or such lesser percentage as may be determined by GXO after, to the extent necessary, consultation with the Panel, being in any case more than fifty (50) per cent) of the Clipper Shares);
- (b) GXO shall ensure that the only conditions to the Takeover Offer shall be the Conditions; and
- (c) GXO shall not declare the Takeover Offer unconditional as to acceptances prior to the 60th day after publication of the Offer Document (or such later date as may be the last date for the Takeover Offer to be declared unconditional as to acceptances including, without limitation, by publishing an acceptance condition invocation notice under Rule 31.6 of the Code) (**Day 60**) unless all of the remaining Conditions either: (i) have been satisfied or waived (if capable of waiver); or (ii) are reasonably expected to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.7 of the Code;
- (d) if at any time following the publication of the Offer Document it is reasonably expected that any outstanding Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, GXO shall, before the 30th day after the publication of the Offer Document (or such later date as Clipper may agree), consult with Clipper and the Panel as to whether the offer timetable should be suspended in accordance with Rule 31.4 or (if Day 39 has passed) an extension to Day 60 should be extended in accordance with Rule 31.3 (or, if applicable, further suspended or extended) to a date agreed with Clipper and the Panel provided always that such extended date shall be no later than the Long Stop Date;

- (e) GXO shall keep Clipper informed, on a confidential basis on the next Business Day following receipt of a written request from Clipper, of the number of Clipper Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Clipper Shares to which such forms relate.

7.3 In the event of any Switch:

- (a) the parties agree that all provisions of this Agreement shall continue to apply save as set out in this clause 7.3 ;
- (b) the parties agree that all provisions of this Agreement relating to the Scheme and its implementation shall apply to the Takeover Offer or its implementation *mutatis mutandis*;

8. Clipper Share Schemes

The provisions of Schedule 2 shall apply in respect of the Clipper Share Schemes.

9. Directors' and officers' insurance

9.1 If and to the extent such obligations are permitted by Law, for six years after the Effective Date, GXO shall procure that the members of the Clipper Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date.

9.2 GXO acknowledges and agrees that Clipper may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Clipper Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equivalent to that provided under the Clipper Group's directors' and officers' liability insurance as at the date of this Agreement.

10. Announcements

GXO will, insofar as it is reasonably practicable to do so, allow Clipper and its advisers a reasonable opportunity to provide comments on any announcement or communication that it makes to the market in connection with the Acquisition (other than any communication which does not contain any information which is not already in the public domain or any communication which directs such persons to information which is already in the public domain), and consider Clipper's reasonable comments on such announcement or communication.

11. Termination

11.1 Subject to clauses 11.2 and 11.3, this Agreement shall terminate and all obligations of the parties under this Agreement shall cease, as follows:

- (a) if agreed in writing between the parties;
- (b) if the Announcement is not released by 5:30 p.m. on the date of this Agreement (unless, prior to that time, the parties have agreed another time in accordance with clause 2.1);
- (c) upon service of written notice by GXO to Clipper, if one or more of the following occurs:
 - (i) the Scheme Document (or Offer Document, as the case may be) and (if different) the document convening the Clipper General Meeting does not include the Clipper Board Recommendation, or Clipper makes an announcement prior to the publication of such document(s) that: (A) the Clipper Directors no longer intend to make such recommendation or intend adversely to modify or qualify such recommendation; (B) it will not convene the Court Meeting or the Clipper General Meeting; or (C) it intends not to post the Scheme Document or (if different) the document convening the Clipper General Meeting;
 - (ii) the Clipper Directors withdraw, adversely modify or adversely qualify the Clipper Board Recommendation or fail to publicly reaffirm or re issue such unanimous and unqualified recommendation within five (5) Business Days of GXO's reasonable request to do so;
 - (iii) if the Acquisition is being implemented by way of Scheme and:
 - (A) the Court Meeting and the Clipper General Meeting are not held on or before the 22nd day after the expected day of the Court Meeting as set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval(s) are required)); or
 - (B) the Sanction Hearing is not held on or before the later of (A) the 22nd day after the expected day of the Sanction Hearing as set out in the Scheme Document; and (B) thirty days after all the Conditions have been satisfied or waived, (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval(s) is/are required));

- (d) upon service of written notice by GXO to Clipper prior to the Long-Stop Date stating that either:
 - (i) any Condition which has not been waived is (or has become) considered by GXO as incapable of satisfaction by the Long-Stop Date and, notwithstanding that GXO has the right to waive such Condition, GXO will not do so; or
 - (ii) any Condition which is incapable of waiver is incapable of satisfaction by the Long-Stop Date,in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;
- (e) upon service of written notice by GXO to Clipper, if a Competing Proposal: (i) is recommended by the Clipper Board; or (ii) completes, becomes effective or is declared or becomes unconditional in all respects;
- (f) if the Acquisition is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Long-Stop Date (other than where: (i) such lapse or withdrawal is as a result of the exercise of GXO's right to effect a Switch; or (ii) it is otherwise to be followed within five (5) Business Days by an announcement under Rule 2.7 of the Code made by GXO or a person acting in concert with GXO to implement the Acquisition by a different offer or scheme on substantially the same (and no less favourable) or improved terms in favour of the Clipper Shareholders); or
- (g) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Long-Stop Date.

11.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

11.3 The following provisions shall survive termination of this Agreement:

- (a) clauses 14 to 20 (inclusive), 22 to 26 (inclusive), this clause 11.3 and all related provisions of clause 1 (*Definitions and Interpretation*); and
- (b) in the event that this Agreement is terminated pursuant to clause 11.1(c)(i) or 11.1(c)(ii), Clipper's obligations under clause 3.3 (subject always to clauses 3.4 and 3.6) to provide GXO, in a timely manner, with such information and assistance as may be reasonably required for GXO to make any filings, notifications or submissions to the Relevant Authorities as are necessary in connection with the obtaining of the Clearances, taking into account all applicable waiting periods, shall also survive termination of this Agreement.

12. Takeover Code

12.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

- 12.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Clipper to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 12.3 Nothing in this Agreement shall oblige Clipper or the Clipper Directors to recommend a Takeover Offer or a Scheme proposed by GXO or any member of its Group.
- 12.4 Without prejudice to the representations and warranties given by the parties pursuant to clause 13, nothing in this Agreement shall be taken to restrict the directors of any member of the GXO Group or the Clipper Group from complying with Law, orders of court or regulations, including the Code, the Listing Rules and the rules and regulations of the Panel and the UK Listing Authority.

13. Representations and warranties

- 13.1 Each party represents and warrants to the other party on the date of this Agreement that:
- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
 - (b) this Agreement constitutes its binding obligations in accordance with its terms; and
 - (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in any breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.
- 13.2 GXO represents and warrants to Clipper that as at the date of this Agreement:
- (a) no GXO shareholder resolution is required to implement the Acquisition; and
 - (b) it is not aware of any matter or circumstances which would or could reasonably be expected to result in any of the Conditions not being satisfied.
- 13.3 No party shall have any claim against any other party pursuant to clause 13.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).
- 13.4 Save for the purposes of the condition set out in clause 3.5(b) with respect to Clipper only, GXO acknowledges and agrees that any information and/or assistance provided by Clipper, any member of the Clipper Group, any of the Clipper Directors or any officer or employee of the Clipper Group (each a **Clipper Representative**) to GXO, any member of the GXO Group and/or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of Clipper or any member of the Clipper Group under or otherwise in connection with this Agreement; or (ii) in connection with the Acquisition, shall in each case be given on the basis that the relevant Clipper Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, nor owe any duty of care, in respect of any loss or damage that GXO, any members the GXO Group or any of their respective directors, officers, employees or advisers may suffer as a result of the provision of any such information and/or assistance (save, in each case for loss or damage resulting from the fraud or fraudulent misrepresentation of the relevant Clipper Representative).

14. Costs

Except as otherwise provided in this Agreement, each party shall pay its own Costs incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Acquisition.

15. Entire agreement

15.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement, the Clean Team Arrangements and the Confidentiality Agreement together set out the entire agreement between the parties relating to the Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Acquisition.

15.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement, the Clean Term Arrangements or the Confidentiality Agreement.

15.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement, the Clean Term Arrangements or the Confidentiality Agreement.

15.4 For the purposes of this clause, **pre-contractual statement** means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement, the Clean Team Arrangements or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.

15.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

15.6 Each party agrees to the terms of this clause 15 on its own behalf.

16. Assignment

Unless the parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

17. Notices

- 17.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier using an internationally recognised courier company.
- 17.2 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by e-mail. Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.
- 17.3 The addresses and e-mail addresses of the parties for the purpose of clause 17.1 are:

GXO

Address: 180 Great Portland Street, London W1W 5QZ GB

E-mail: karlis.kirsis@gxo.com

For the attention of: Karlis Kirsis

With a copy (which shall not constitute notice) to:

Address: Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London EC2P 2SR

E-mail: piers.prichardjones@freshfields.com and rhys.evans@freshfields.com

For the attention of: Piers Prichard Jones and Rhys Evans

and

Address: Freshfields Bruckhaus Deringer LLP, 601 Lexington Ave, New York, NY 10022, United States

E-mail: sebastian.fain@freshfields.com

For the attention of: Sebastian Fain

Clipper

Address: Carlton Court, Leeds, LS12 6LT

E-mail: JDettmar@clippergroup.co.uk

For the attention of: Julia Dettmar, General Counsel

With a copy (which shall not constitute notice) to:

Address: Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG

E-mail: daniel.simons@hoganlovells.com and john.holme@hoganlovells.com

For the attention of: Daniel Simons and John Holme

17.4 Each party shall notify the other party in writing of any change to its details in clause 17.3 from time to time.

18. Language

Each language of communication under or in connection with this Agreement shall be in English.

19. Waivers, rights and remedies

19.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.

19.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by Law shall not preclude any further exercise of it.

19.3 Without prejudice to any other rights or remedies that the other party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

20. No partnership

No provision of this Agreement creates a partnership between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

21. Further assurances

At its own Cost, each party shall (and shall procure that members of its Group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as may be necessary for the purpose of giving the full benefit of this Agreement.

22. Counterparts

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

23. Variations

23.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

23.2 If this Agreement is varied:

- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
- (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and
- (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

24. Invalidity

24.1 Each of the provisions of this Agreement is severable.

24.2 If and to the extent that any provision of this Agreement:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this clause 24.2.

25. Third party enforcement rights

25.1 Each of the persons to whom clauses 9.1 and/or 9.2 applies may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clauses 9.1 and/or 9.2 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person and; (ii) the other terms and conditions of this Agreement.

25.2 Except as set out in clause 25.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

26. Governing law and jurisdiction

26.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

- 26.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement including, without limitation disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this clause.
- 26.3 GXO shall at all times maintain an agent for service of process and any other documents in proceedings in England and Wales or any other proceedings in connection with this Agreement. That agent shall be GXO Logistics Holdings UK Unlimited currently of GXO House, Lodge Way, New Duston, Northampton, England, NN5 7SL. Any claim form, judgment or other notice of legal process shall be sufficiently served on GXO if delivered to such agent at its address for the time being. GXO waives any objection to such service.
- 26.4 GXO irrevocably undertakes not to revoke the authority of its agent and if, for any reason, another party requests GXO to do so, GXO shall promptly appoint another such agent with an address in England and advise the other parties of the agent's details. If, following such a request, GXO fails to appoint another agent within 10 Business Days, Clipper shall be entitled to appoint one on behalf of GXO at GXO's expense. Nothing in this Agreement shall affect Clipper's right to serve process in any other manner permitted by Law.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by)
for and on behalf of)
GXO LOGISTICS, INC.)

SIGNED by)
for and on behalf of) /s/ David Hodkin
CLIPPER LOGISTICS PLC)

[Project Catalonia – Signature Page – Cooperation Agreement]

IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by)
for and on behalf of)
GXO LOGISTICS, INC.)

By: /s/ Karlis P. Kirsis

Name: Karlis P. Kirsis

Title: Corporate Secretary

[Project Catalonia – Signature Page – Cooperation Agreement]

Schedule 1
Form of Announcement

IRREVOCABLE UNDERTAKING

To: GXO Logistics, Inc. (**GXO**)
Two American Lane
Greenwich
CT 06831
United States

__ February 2022

Dear Sir/Madam

Acquisition of Clipper Logistics plc (Clipper)

I understand that GXO, or a wholly owned subsidiary of GXO, intends to acquire all the issued and to be issued ordinary share capital of Clipper pursuant to the Scheme or the Offer (in each case, as defined in paragraph 11 below). This undertaking sets out the terms and conditions on which I, in my capacity as a holder of ordinary shares in Clipper (and not in my capacity as a director of Clipper), will vote in favour of the Scheme and/or accept the Offer (as applicable). The undertakings in this letter are given in favour of GXO and/or any wholly owned subsidiary that implements the Acquisition (the **Offeror**).

The Offeror acknowledges (as noted at paragraph 1(a) below) that my holding is held in an ordinary-course SIPP with "Suffolk Life/Curtis Banks" as registered holder. The entirety of this undertaking is therefore subject thereto, however I will take all reasonable steps to ensure compliance by the registered holder as relevant with this undertaking, and have no reason to believe that the registered holder will not do so.

Shareholdings

1. I represent and warrant to the Offeror that:
 - (a) I am the beneficial owner of 4,000 ordinary shares of 0.05p each (held in an ordinary course SIPP with "Suffolk Life/Curtis Banks" as registered holder) in the capital of Clipper (the **Clipper Shares**) and that I hold these free of any encumbrances or third party rights of any kind whatsoever;
 - (b) other than as set out in this paragraph 1, I do not, and nor do any of the persons connected with me (within section 253 of the Companies Act 2006) have any interest (as defined in the City Code on Takeovers and Mergers (the **Code**)) in any securities of Clipper or GXO, or any rights to subscribe for, purchase or otherwise acquire any such securities, or any short positions (within the meaning set out in the Code) in any such securities; and
 - (c) I have full power and authority to enter into this undertaking and to perform the obligations under it.
-

Dealings and undertakings

2. I undertake to the Offeror that before this undertaking lapses in accordance with paragraph 13 below, I shall not:
- (a) sell, transfer, charge, encumber, grant any option or lien over or otherwise dispose of any interest in any Clipper Shares or any other shares in Clipper issued or unconditionally allotted to, or otherwise acquired by, me before then (**Further Clipper Shares**), other than pursuant to the Scheme or my acceptance of the Offer (if relevant);
 - (b) accept, in respect of the Clipper Shares or any Further Clipper Shares, any offer or other transaction made in competition with or which would reasonably be expected to frustrate the Acquisition (as defined in paragraph 11 of this undertaking);
 - (c) in my capacity as a shareholder, vote in favour of any resolution to approve any scheme of arrangement of Clipper, or other transaction which is proposed in competition with or which would reasonably be expected to frustrate the Acquisition;
 - (d) vote in favour of or otherwise consent to any matter for the purposes of Rule 21 of the Code;
 - (e) (other than pursuant to the Acquisition) enter into any agreement or arrangement, incur any obligation or give any indication of intent:
 - (i) to do any of the acts referred to in paragraphs 2(a) to 2(d); or
 - (ii) which, in my capacity as a Clipper Shareholder, in relation to the Clipper Shares or any Further Clipper Shares, would or would reasonably be expected to restrict or impede me accepting the Offer or voting in favour of the Scheme (as applicable),

and for the avoidance of doubt, references in this paragraph 2 to any agreement, arrangement, obligation or indication of intent includes any agreement, arrangement, obligation or indication of intent whether or not legally binding or subject to any condition or which is to take effect if the Scheme or the Offer (as the case may be) lapses or is withdrawn or if this undertaking ceases to be binding or following any other event.

3. I further undertake not to (other than as a result of my participation in any Clipper share scheme), until the earlier of:
- (a) this undertaking lapsing in accordance with paragraph 13 below; or
 - (b) either the Offer becoming unconditional or the Scheme being approved by the Court,

acquire any interests (as defined in the Code) or otherwise deal or undertake any dealing (as defined in the Code) in any relevant securities (as defined in the Code) of Clipper or GXO unless the Panel on Takeovers and Mergers (the **Panel**) determines, and confirms to you, that, in respect of such acquisition or dealing, I am not acting in concert with you pursuant to Note 9 on the definition of “Acting in concert” set out in the Code.

4. I undertake to cause the registered holder of any Clipper Shares of which I am the beneficial holder (the **Beneficial Shares**) to comply with the undertakings in paragraphs 2 and 3 above in respect of the Beneficial Shares.

Undertaking to accept the Offer and/or to vote in favour of the Scheme

5. I undertake that:

(a) if the Offeror elects to implement the Acquisition by way of the Offer:

- (i) I shall accept the Offer in respect of the Clipper Shares in accordance with the procedure for acceptance set out in the formal document containing such Offer (the **Offer Document**) not later than seven days after the Offeror sends the Offer Document to Clipper shareholders and shall accept the Offer in respect of any Further Clipper Shares in accordance with the same procedure not later than three days after I become the registered holder of the Further Clipper Shares;
- (ii) I shall cause the registered holder of any Beneficial Shares to accept the Offer in accordance with the procedure for acceptance set out in the Offer Document not later than seven days after the Offeror sends the Offer Document;
- (iii) I shall accept any proposal made by the Offeror to holders of options over Clipper shares in compliance with Rule 15 of the Code in respect of all such options held by me not later than seven days after the Offeror sends such proposals to the holders of options or otherwise ensure that any Clipper shares arising on conversion of options participate in the Offer;
- (iv) I shall not withdraw any acceptances of the Offer and will cause the registered holder of any Beneficial Shares not to do so; and
- (v) the Offeror shall acquire the Clipper Shares, the Beneficial Shares and any Further Clipper Shares pursuant to the Offer free of any lien, charge, option, equity or encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date such Offer becomes or is declared unconditional; and

- (b) if the Offeror elects to implement the Acquisition by way of the Scheme:
- (i) I shall exercise all voting rights attaching to the Clipper Shares and any Further Clipper Shares to vote in favour of all resolutions to approve the Scheme and/or the Acquisition, and any related matters, proposed at any general or class meeting (**General Meeting**) and Court convened meeting (**Court Meeting**) of Clipper to be convened and held in connection with the Scheme and/or the Acquisition, or at any adjournment of any such meeting;
 - (ii) I shall execute any forms of proxy in respect of the Clipper Shares and any Further Clipper Shares required by the Offeror appointing any person nominated by the Offeror to attend and vote at any General Meeting or Court Meeting in respect of the resolutions to approve the Scheme and/or the Acquisition, and any related matters, and shall ensure that any such executed forms of proxy are received by Clipper's registrars not later than 3.00 p.m. (London time) on the tenth day after Clipper sends the formal document setting out the terms and conditions of the Scheme (the **Scheme Document**) to Clipper shareholders (or, in respect of any Further Clipper Shares, within three days of becoming the registered holder of such shares, if later);
 - (iii) I shall not revoke the terms of any proxy submitted in accordance with paragraph 5(b)(ii), either in writing or by attendance at any General Meeting or Court Meeting or otherwise;
 - (iv) I shall cause the registered holder of any Beneficial Shares to comply with the undertakings in paragraphs 5(b)(i) to 5(b)(iii) in respect of the Beneficial Shares;
 - (v) I shall accept any proposal made by the Offeror to holders of options over Clipper shares in compliance with Rule 15 of the Code in respect of all such options held by me not later than seven days after the Offeror sends such proposals to the holders of options or otherwise ensure that any Clipper shares arising on conversion of options participate in the Scheme; and
 - (vi) the Offeror shall acquire the Clipper Shares, the Beneficial Shares and any Further Clipper Shares pursuant to the Scheme which provides for the transfer of such shares to the Offeror free of any lien, charge, option, equity or encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the Scheme effective date.

Voting Rights

6. From the time the Offeror releases the Rule 2.7 Announcement to the time this undertaking lapses in accordance with paragraph 13:
- (a) I shall exercise the voting rights attached to the Clipper Shares and any Further Clipper Shares on a Relevant Resolution (as defined in paragraph 7) only in accordance with the Offeror's directions;

- (b) I shall exercise the rights attaching to the Clipper Shares and any Further Clipper Shares to requisition or join in requisitioning any general or class meeting of Clipper pursuant to section 303 of the Companies Act 2006 for the purposes of considering a Relevant Resolution and to require Clipper to give notice of such a resolution pursuant to section 338 of the Companies Act 2006 only in accordance with the Offeror's directions;
- (c) for the purpose of voting on a Relevant Resolution, I shall execute any form of proxy required by the Offeror appointing any person nominated by the Offeror to attend and vote at the relevant general or class meeting of Clipper (and shall not revoke the terms of any such proxy whether in writing, by attendance or otherwise); and
- (d) I shall cause the registered holder of any Beneficial Shares to comply with paragraphs 6(a) to 6(c) in respect of the Beneficial Shares.

7. **A Relevant Resolution** means:

- (a) a resolution (whether or not amended) proposed at a general or class meeting of Clipper, or at an adjourned meeting, the passing of which is required to implement the Acquisition or which, if passed, would reasonably be expected to result in any condition of the Acquisition not being fulfilled or which would reasonably be expected to impede or frustrate the Acquisition in any way (including, for the avoidance of doubt, any resolution to approve any scheme of arrangement or other transaction in relation to Clipper which is proposed in competition with or which would reasonably be expected to frustrate the Acquisition) or which is to approve a matter for the purposes of Rule 21 of the Code;
- (b) a resolution to adjourn a general or class meeting of Clipper whose business includes the consideration of a resolution falling within paragraph 7(a); and
- (c) a resolution to amend a resolution falling within paragraph 7(a) or paragraph 7(b).

Documentation

8. I consent to:

- (a) this undertaking being disclosed to the Panel;
- (b) the inclusion of references to me and the registered holder of any Beneficial Shares, and particulars of this undertaking and our holdings of, interests in, rights to subscribe for and short positions in relevant securities of Clipper being included in the Rule 2.7 Announcement and any offer document or scheme document published in connection with the Acquisition, and any other announcement made, or document issued, by or on behalf of the Offeror in connection with the Acquisition; and

- (c) this undertaking being available for inspection as required by Rule 26.1 of the Code or the Listing Rules of the Financial Conduct Authority including, without limitation, being made publicly available on the Offeror's and Clipper's websites.

Secrecy

9. Subject (and without prejudice) to the relevant provisions of the Code (including Rule 2.3(d) or otherwise) I shall keep secret the possibility, terms and conditions of the Acquisition and the existence and terms of this undertaking until the Rule 2.7 Announcement is released, provided that I may disclose the same to Clipper and its advisers (and other third parties who reasonably need to know) in which case I shall request that they observe secrecy in the same terms. The obligations in this paragraph shall survive termination of this undertaking.

10. I understand that the information you have given to me in relation to the Acquisition must be kept confidential until the Rule 2.7 Announcement is released or the information has otherwise become generally available. To the extent any of the information is inside information for the purposes of the Criminal Justice Act 1993 or the Market Abuse Regulation No 596/2014 (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018), I will comply with the applicable restrictions in those enactments on dealing in securities and disclosing inside information.

Interpretation

11. In this undertaking:

- (a) references to the **Offer** means any firm offer (under Rule 2.7 of the Code) to be made by or on behalf of the Offeror to acquire the issued ordinary share capital of Clipper: (i) on the terms set out in the Appendix to this undertaking; (ii) recommended by the board of directors of Clipper; or (iii) as otherwise agreed in writing, and a reference to the **Offer** also includes any new, increased, renewed or revised firm offer (under Rule 2.7 of the Code) made by the Offeror to implement the Acquisition provided that its terms are: (i) in the reasonable opinion of Clipper's financial adviser, at least as favourable to Clipper's shareholders as the terms set out in the Appendix and/or the Rule 2.7 Announcement (as applicable); or (ii) recommended by the board of directors of Clipper;
- (b) references to the **Scheme** means any scheme of arrangement of Clipper under section 895 Companies Act 2006 to implement the Acquisition: (i) on the terms set out in the Appendix to this undertaking; (ii) recommended by the board of directors of Clipper; or (iii) as otherwise agreed in writing, and a reference to the **Scheme** also includes any new, increased, renewed or revised scheme of arrangement of Clipper to implement the Acquisition, provided that its terms are: (i) in the reasonable opinion of Clipper's financial adviser, at least as favourable to Clipper's shareholders as the terms set out in the Appendix and/or the Rule 2.7 Announcement (as applicable); or (ii) recommended by the board of directors of Clipper; and

- (c) references to the **Acquisition** means the proposed acquisition by the Offeror of ordinary shares of 0.05 pence each in the capital of Clipper, whether (at the election of the Offeror, subject to the terms of any cooperation agreement to be entered into between the Offeror and Clipper) pursuant to the Offer or the Scheme.

Time of the Essence

12. Any time, date or period mentioned in this undertaking may be extended by mutual agreement but as regards any time, date or period originally fixed or as extended, time shall be of the essence.

Lapse of undertaking

13. This undertaking shall lapse, and all of my obligations hereunder shall immediately terminate, if:
- (a) the Rule 2.7 Announcement is not released by 7 a.m. on 15 April 2022 or such later date as the Offeror and Clipper may agree;
 - (b) the Offeror announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time;
 - (c) the Offer or Scheme lapses or is withdrawn and no new, revised or replacement Scheme or Offer has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time; or
 - (d) any competing offer for the entire issued and to be issued share capital of Clipper becomes or is declared unconditional or, if proceeding by way of scheme of arrangement, becomes effective.

If this undertaking lapses, I shall have no claim against the Offeror, and the Offeror shall have no claim against me, save in respect of any prior breach thereof. This paragraph shall survive the lapse of this undertaking.

Confirmation

14. I confirm that in signing this undertaking I am not a client or customer of Rothschild & Co for the purposes of the Conduct of Business Sourcebook of the Financial Conduct Authority and that Rothschild & Co is acting for the Offeror in connection with the Acquisition and no-one else and is not responsible to anyone other than the Offeror for providing the protections afforded to customers of Rothschild & Co nor for providing advice in relation to the Acquisition. I confirm that I have been given an adequate opportunity to consider whether or not to execute this undertaking and to obtain independent advice.

Power of Attorney

15. In order to secure the performance of my obligations under this undertaking, I appoint any director of the Offeror as my attorney:
- (a) if I fail to comply with any of the undertakings in paragraph 5, in my name and on my behalf to do all things and to execute all deeds and other documents as may be necessary to ensure compliance with such undertakings in respect of the Clipper Shares, the Beneficial Shares and any Further Clipper Shares (as appropriate); and
 - (b) if I fail to comply with any of the undertakings in paragraph 6, to execute any form of proxy required by the Offeror to appoint any person nominated by the Offeror to attend a general or class meeting of Clipper and vote on a Relevant Resolution (as defined in paragraph 7),

provided that this appointment shall only take effect if and to the extent that I have failed to comply with any obligations under paragraph 5 or 6 above (as applicable).

16. I agree that this power of attorney is given by way of security and is irrevocable in accordance with section 4 Powers of Attorney Act 1971 until this undertaking lapses in accordance with paragraph 13 (at which time this power of attorney shall be automatically revoked without further action from me).

Specific Performance

17. I agree that, if I fail to comply with any of the undertakings in paragraph 5 or breach any of my other obligations under this undertaking, damages may not be an adequate remedy and accordingly the Offeror shall be entitled to the remedies of specific performance, injunction or other equitable relief.

Duties as director

18. Nothing in this undertaking shall constitute an obligation for me, in my capacity as a director of Clipper, to take any action which is not permitted by the Code (including Practice Statement 29 issued by the Panel with respect to Rule 21.2 of the Code). You recognise that in my capacity as a director of Clipper, I owe fiduciary duties to Clipper and I have duties under the Code (together the **Legal Duties**) and accordingly nothing in this deed will require or oblige me to do or refrain from doing any act or thing which would have the effect of contravening those Legal Duties.

Third Party Rights

19. The Offeror shall have the right to enforce any term of this undertaking. Any other person who is not party to this undertaking has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this undertaking.

Governing Law

20. This undertaking and any non-contractual obligations arising out of or in connection with this undertaking shall be governed by, and interpreted in accordance with, English law. The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this undertaking including, without limitation disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships established by, this undertaking; and (ii) any non-contractual obligations arising out of or in connection with this undertaking. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this clause.

**SIGNED as a DEED and
DELIVERED by
[DIRECTOR] in the presence of:**

) SIGNATURE: _____
)
)

Witness:

) SIGNATURE: _____
)
) NAME: _____
)
) ADDRESS: _____

Appendix

Key Offer Terms

For each Clipper ordinary share, a combination of cash and new GXO shares (to be issued on the basis of the Exchange Ratio as defined below), as follows:

- a. 690 pence in cash; and
 - b. such number of new GXO shares as would imply a valuation of 230 pence based on the trailing GXO 3-month volume weighted average price and a trailing 3-month average USD/GBP exchange rate (the “**Exchange Ratio**”) in each case calculated for the period ending on the last practicable date prior to any firm offer announcement.
-

BRIDGE TERM LOAN CREDIT AGREEMENT

DATED AS OF FEBRUARY 28, 2022

AMONG

**GXO LOGISTICS, INC.,
as the Borrower,**

**THE LENDERS FROM TIME TO TIME PARTIES HERETO,
and**

**BARCLAYS BANK PLC
as Administrative Agent**

**BARCLAYS BANK PLC and CITIBANK, N.A.,
as Joint Lead Arrangers and Joint Bookrunners**

**CITIBANK, N.A.
as Syndication Agent**

**CERTAIN FINANCIAL INSTITUTIONS TO BE APPOINTED
as Co-Documentation Agents**

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE 1	
DEFINITIONS	
Section 1.01 <i>Certain Defined Terms</i>	1
Section 1.02 <i>Exchange Rates, Basket Calculations</i>	32
Section 1.03 <i>Reserved</i>	32
Section 1.04 <i>Change of Currency</i>	32
 ARTICLE 2	
THE CREDITS	
Section 2.01 <i>Description of Facility; Commitment</i>	33
Section 2.02 <i>Facility Termination Date</i>	33
Section 2.03 <i>[Reserved]</i>	33
Section 2.04 <i>[Reserved]</i>	33
Section 2.05 <i>Fees; Reductions in Aggregate Commitment</i>	33
Section 2.06 <i>Minimum Amount of Each Advance</i>	35
Section 2.07 <i>Prepayments</i>	35
Section 2.08 <i>Notice of Borrowing</i>	36
Section 2.09 <i>[Reserved]</i>	37
Section 2.10 <i>Interest Rates</i>	37
Section 2.11 <i>Rates Applicable After Default</i>	37
Section 2.12 <i>Method of Payment</i>	37
Section 2.13 <i>Noteless Agreement; Evidence of Indebtedness</i>	37
Section 2.14 <i>Interest Payment Dates; Interest and Fee Basis</i>	38
Section 2.15 <i>Notification of Advances, Interest Rates, Prepayments and Commitment Reductions; Availability of Loans</i>	39
Section 2.16 <i>Lending Installations</i>	39
Section 2.17 <i>Payments Generally; Administrative Agent's Clawback</i>	39
Section 2.18 <i>Replacement of Lender</i>	40
Section 2.19 <i>Sharing of Payments by Lenders</i>	41
Section 2.20 <i>Allocation Between Initial Lenders</i>	41
Section 2.21 <i>Defaulting Lenders</i>	42
 ARTICLE 3	
YIELD PROTECTION; TAXES	
Section 3.01 <i>Yield Protection</i>	43
Section 3.02 <i>Changes in Capital Adequacy Regulations; Certificates for Reimbursement; Delay in Requests</i>	44
Section 3.03 <i>[Reserved]</i>	45
Section 3.04 <i>[Reserved]</i>	45
Section 3.05 <i>Taxes</i>	45
Section 3.06 <i>Mitigation Obligations</i>	50

Section 3.07	<i>Replacing Other and Future Benchmarks</i>	50
Section 3.08	<i>Survival</i>	52

ARTICLE 4
CONDITIONS PRECEDENT

Section 4.01	<i>Effectiveness</i>	53
Section 4.02	<i>Borrowings</i>	54
Section 4.03	<i>Availability</i>	56

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

Section 5.01	<i>Existence and Standing</i>	57
Section 5.02	<i>Authorization and Validity</i>	57
Section 5.03	<i>No Conflict; Government Consent</i>	57
Section 5.04	<i>Financial Statements</i>	57
Section 5.05	<i>Material Adverse Effect</i>	58
Section 5.06	<i>Solvency</i>	58
Section 5.07	<i>Litigation</i>	58
Section 5.08	<i>Disclosure</i>	59
Section 5.09	<i>Regulation U</i>	59
Section 5.10	<i>Investment Company Act</i>	59
Section 5.11	<i>OFAC, FCPA</i>	59
Section 5.12	<i>Taxes</i>	59
Section 5.13	<i>Affected Financial Institution</i>	59

ARTICLE 6
COVENANTS

Section 6.01	<i>Financial Reporting</i>	60
Section 6.02	<i>Use of Proceeds</i>	62
Section 6.03	<i>Notice of Default</i>	62
Section 6.04	<i>Conduct of Business</i>	62
Section 6.05	<i>Compliance with Laws</i>	62
Section 6.06	<i>Inspection; Keeping of Books and Records</i>	62
Section 6.07	<i>OFAC, FCPA</i>	63
Section 6.08	<i>Maintenance of Material Property and Insurance</i>	63
Section 6.09	<i>Merger</i>	63
Section 6.10	<i>Non-Guarantor Subsidiary Indebtedness</i>	63
Section 6.11	<i>Liens</i>	64
Section 6.12	<i>Financial Covenant</i>	66
Section 6.13	<i>OFAC, FCPA</i>	67
Section 6.14	<i>Conduct of Scheme and/or Offer</i>	67

ARTICLE 7

DEFAULTS

Section 7.01	<i>Breach of Representations or Warranties</i>	67
Section 7.02	<i>Failure to Make Payments When Due</i>	67
Section 7.03	<i>Breach of Covenants</i>	67
Section 7.04	<i>Cross Default</i>	67
Section 7.05	<i>Voluntary Bankruptcy; Appointment of Receiver; Etc.</i>	68
Section 7.06	<i>Involuntary Bankruptcy; Appointment of Receiver; Etc.</i>	68
Section 7.07	<i>Judgments</i>	69
Section 7.08	<i>Unfunded Liabilities</i>	69
Section 7.09	<i>Change of Control</i>	69
Section 7.10	<i>Other ERISA Liabilities</i>	69
Section 7.11	<i>Invalidity of Loan Documents</i>	69

ARTICLE 8

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

Section 8.01	<i>Acceleration, Etc.</i>	70
Section 8.02	<i>Amendments</i>	70
Section 8.03	<i>Preservation of Rights</i>	72

ARTICLE 9

GENERAL PROVISIONS

Section 9.01	<i>Survival of Representations</i>	72
Section 9.02	<i>Governmental Regulation</i>	72
Section 9.03	<i>Headings</i>	72
Section 9.04	<i>Entire Agreement</i>	73
Section 9.05	<i>Several Obligations; Benefits of this Agreement</i>	73
Section 9.06	<i>Expenses; Indemnification</i>	73
Section 9.07	<i>Accounting</i>	76
Section 9.08	<i>Severability of Provisions</i>	76
Section 9.09	<i>Nonliability of Lenders</i>	76
Section 9.10	<i>Confidentiality</i>	76
Section 9.11	<i>Nonreliance</i>	77
Section 9.12	<i>Disclosure</i>	77

ARTICLE 10

THE ADMINISTRATIVE AGENT

Section 10.01	<i>Appointment and Authority</i>	77
Section 10.02	<i>Rights as a Lender</i>	78
Section 10.03	<i>Reliance by Administrative Agent</i>	78
Section 10.04	<i>Exculpatory Provisions</i>	78
Section 10.05	<i>Delegation of Duties</i>	79
Section 10.06	<i>Resignation of Administrative Agent</i>	80

Section		
10.07	<i>Non-Reliance on Administrative Agent and Other Lenders</i>	81
Section		
10.08	<i>No Other Duties, Etc.</i>	81
Section		
10.09	<i>Administrative Agent May File Proofs of Claim</i>	81
Section		
10.10	<i>ERISA</i>	82
Section		
10.11	<i>Erroneous Payments</i>	83

ARTICLE 11
SETOFF

Section		
11.01	<i>Setoff</i>	85

ARTICLE 12
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

Section		
12.01	<i>Successors and Assigns</i>	86
Section		
12.02	<i>Dissemination of Information</i>	90
Section		
12.03	<i>Tax Treatment</i>	90

ARTICLE 13
NOTICES

Section		
13.01	<i>Notices; Effectiveness; Electronic Communication</i>	90

ARTICLE 14
COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION

Section		
14.01	<i>Counterparts; Effectiveness</i>	92
Section		
14.02	<i>Electronic Execution</i>	93

ARTICLE 15
CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

Section		
15.01	<i>Choice of Law</i>	93
Section		
15.02	<i>Consent to Jurisdiction</i>	94
Section		
15.03	<i>Waiver of Jury Trial</i>	95
Section		
15.04	<i>U.S. Patriot Act and Beneficial Ownership Regulation Notice</i>	95
Section		
15.05	<i>No Advisory or Fiduciary Responsibility</i>	95
Section		
15.06	<i>Judgment Currency</i>	96
Section		
15.07	<i>Acknowledgement and Consent to Bail-In of Affected Financial Institutions</i>	96

ARTICLE 16
GUARANTEE

Section		
16.01	<i>Guarantors</i>	97
Section		
16.02	<i>Guarantee</i>	97
Section		
16.03	<i>Guaranty Absolute</i>	98
Section		
16.04	<i>Waivers</i>	98
Section		
16.05	<i>Continuing Guaranty</i>	99
Section	<i>Release of Guarantors</i>	99

EXHIBITS

- Exhibit A – Form of Compliance Certificate
- Exhibit B – Form of Assignment and Assumption
- Exhibit C – Form of Prepayment Notice
- Exhibit D – Form of Promissory Note
- Exhibit E – Form of Borrowing Notice
- Exhibit F – [Reserved]
- Exhibit G – Form of Officer’s Certificate
- Exhibit H-1 – Form of U.S. Tax Compliance Certificate
- Exhibit H-2 – Form of U.S. Tax Compliance Certificate
- Exhibit H-3 – Form of U.S. Tax Compliance Certificate
- Exhibit H-4 – Form of U.S. Tax Compliance Certificate

SCHEDULES

Pricing Schedule
Commitment Schedule

- Schedule 6.10 – Existing Specified Indebtedness for Borrowed Money
- Schedule 13.01 – Certain Addresses for Notices

BRIDGE TERM LOAN CREDIT AGREEMENT

This Bridge Term Loan Credit Agreement, dated as of February 28, 2022, is among GXO Logistics, Inc., a Delaware corporation (the “**Borrower**”), the Guarantors from time to time parties hereto, the institutions from time to time parties hereto as Lenders (whether by execution of this Agreement or an assignment pursuant to Section 12.01), and Barclays Bank PLC, as Administrative Agent.

On the Closing Date, the Borrower will acquire not less than a majority of the outstanding shares of Clipper Logistics plc, a public limited company incorporated in England and Wales with registration number 03042024 (“**Catalonia**” and such acquisition, the “**Catalonia Acquisition**”), which may be effected by means of a Scheme (as defined herein) under which the Catalonia Shares (as defined herein) will be transferred and the Borrower will, directly or indirectly, become the holder of such transferred Catalonia Shares or pursuant to a public offer by, or made on behalf of, the Borrower in accordance with the Takeover Code (as defined herein) and the provisions of the Companies Act of 2006 for the Borrower to acquire, directly or indirectly, all of the Catalonia Shares by way of an Offer. To consummate the Catalonia Acquisition, the Borrower intends to, among other things, enter into the Credit Facility.

The Borrower has requested that the Lenders and the Administrative Agent enter into this Agreement to provide a 364-day term loan credit facility to the Borrower for the purposes set forth herein, and the Lenders and the Administrative Agent are willing to do so on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01 *Certain Defined Terms.* As used in this Agreement:

“**Acquisition**” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition by the Borrower or any of its Subsidiaries of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition by the Borrower or any of its Subsidiaries of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person (other than a Person that is a Subsidiary), or otherwise causing any Person to become a Subsidiary of the Borrower, (c) a merger or consolidation or any other combination by the Borrower or any of its Subsidiaries with another Person (other than a Person that is a Subsidiary) provided that the Borrower (or a Person that succeeds to the Borrower pursuant to Section 6.09 in connection with such transaction or series of related transactions) or a Subsidiary of the Borrower (or a Person that becomes a Subsidiary of the Borrower as a result of such transaction) is the surviving entity; provided that any Person that is a Subsidiary at the time of execution of the definitive agreement related to any such transaction or series of related transactions (or, in the case of a tender offer or similar transaction, at the time of filing of the definitive offer document) shall constitute a Subsidiary for purposes of this definition even if in connection with such transaction or series of related transactions, such Person becomes a direct or indirect holding company of the Borrower or (d) the acquisition of real property by the Borrower or any of its Subsidiaries that is expected to be used in whole or in part in the normal operations of the Borrower or its Subsidiaries.

“Acquisition Debt” means any Indebtedness for Borrowed Money of the Borrower or any of its Subsidiaries that has been issued for the purpose of financing, in whole or in part, a Material Acquisition and any related transactions or series of related transactions (including for the purpose of refinancing or replacing all or a portion of any pre-existing Indebtedness for Borrowed Money of the Borrower, any of its Subsidiaries or the Person(s) or assets to be acquired); *provided* that (a)(i) the release of the proceeds thereof to the Borrower and its Subsidiaries is contingent upon the consummation of such Material Acquisition and, pending such release, such proceeds are held pursuant to an escrow or similar arrangement and (ii) if the definitive agreement (or, in the case of a tender offer or similar transaction, the definitive offer document) for such Material Acquisition is terminated prior to the consummation of such Material Acquisition or if such Material Acquisition is otherwise not consummated by the date specified in the definitive documentation relating to such Indebtedness for Borrowed Money, such proceeds shall be promptly applied to satisfy and discharge all obligations of the Borrower and its Subsidiaries in respect of such Indebtedness for Borrowed Money or (b)(i) such Indebtedness for Borrowed Money contains a “special mandatory redemption” provision (or other similar provision) or otherwise permits such Indebtedness for Borrowed Money to be redeemed or prepaid if such Material Acquisition is not consummated by the date specified in the definitive documentation relating to such Indebtedness for Borrowed Money, and (ii) if the definitive agreement (or, in the case of a tender offer or similar transaction, the definitive offer document) for such Material Acquisition is terminated in accordance with its terms prior to the consummation of such Material Acquisition or such Material Acquisition is otherwise not consummated by the date specified in the definitive documentation relating to such Indebtedness for Borrowed Money, such Indebtedness for Borrowed Money is so redeemed or prepaid within ninety (90) days of such termination or such specified date, as the case may be.

“Administrative Agent” means Barclays Bank PLC in its capacity as contractual representative of the Lenders pursuant to Article 10, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Article 10.

“Administrative Agent’s Office” means, the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 13.01, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“Advance” means a Borrowing.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the **“beneficial owner”** (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of ten percent (10%) or more of any class of voting securities (or other voting interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

“**Agent**” means any of the Administrative Agent, the Arrangers, the Syndication Agent or the Co-Documentation Agents as appropriate, and “**Agents**” means, collectively, the Administrative Agent, the Arrangers, the Syndication Agent and the Co-Documentation Agents.

“**Agent Parties**” is defined in Section 13.01(c).

“**Aggregate Commitment**” means, at any time, the aggregate amount of the Commitments of all of the Lenders at such time, as may be adjusted from time to time pursuant to the terms hereof. The Aggregate Commitment as of the Effective Date is Seven Hundred Forty-Five Million and 00/100 Pounds Sterling (£745,000,000).

“**Agreement**” means this Bridge Term Loan Credit Agreement, as it may be amended, restated, supplemented or otherwise modified and as in effect from time to time.

“**Agreement Accounting Principles**” means GAAP, applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in Section 5.04; *provided, however*, that notwithstanding anything contained in Section 9.07 to the contrary, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change in GAAP occurring after the Effective Date (or any change in GAAP that occurred on or prior to the Effective Date but was not reflected in the financial statements included in the Borrower’s Form 10-K) or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

“**Agreement Currency**” is defined in Section 15.06.

“**Anti-Corruption Laws**” means all laws, rules and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption, including the United States Foreign Corrupt Practices Act of 1977, as amended.

“**Applicable Margin**” means the percentage rate per annum which is applicable at such time with respect to Advances as set forth under the heading “Applicable Margin” in the Pricing Schedule.

“**Applicable Time**” means, with respect to any borrowings and payments in Pounds Sterling, 10:30 a.m. (New York City time).

“**Approved Fund**” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Arrangers**” means Barclays Bank PLC and Citibank, N.A., in their capacity as Joint Lead Arrangers.

“**Article**” means an Article of this Agreement unless another document is specifically referenced.

“**Asset Sale**” means the sale or other disposition of assets by the Borrower or any of its Subsidiaries outside the ordinary course of business (excluding (A) for the avoidance of doubt, the issuance of equity interests of the Borrower, (B) asset sales or other dispositions between or among the Borrower and/or its Subsidiaries, (C) sales or other dispositions of receivables in connection with factoring transactions, (D) asset sales or other dispositions in connection with any securitizations or any supply chain financing arrangements, (E) sales or dispositions of real estate and related assets (including fixtures appurtenant thereto), (F) asset sales and other dispositions, the Net Cash Proceeds of which do not exceed \$50,000,000 in any single transaction or related series of transactions and (G) other asset sales and other dispositions, the Net Cash Proceeds of which do not exceed \$250,000,000 in the aggregate).

“**Assignee Group**” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.01), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form approved by the Administrative Agent.

“**Authorized Officer**” means any of the President, the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer, any Vice President, the Treasurer, the Assistant Treasurer, the Controller or the Secretary of the Borrower and, solely for purposes of notices given pursuant to Article 2, any other officer or employee of the Borrower so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the Borrower designated in or pursuant to an agreement between the Borrower and the Administrative Agent, in each case acting in accordance with the terms of the signing authority granted in the Secretary or Assistant Secretary’s certificate delivered to the Administrative Agent pursuant to Section 4.01(f) (including any supplements thereto delivered to the Administrative Agent from time to time by way of an officers’ certificate jointly executed by two Authorized Officers).

“**Availability Period**” means the period (x) from and including the Closing Date to but excluding (y) the earlier of (A) the Longstop Time and (B) the Facility Termination Date.

“Available Tenor” means, as of any date of determination and with respect to any then-current Benchmark, as applicable, (x) if any then-current Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is excluded pursuant to Section 3.07(c)(iv).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such **“employee benefit plan”** or **“plan”**.

“Benchmark” means, initially SONIA; *provided* that if a Benchmark Transition Event has occurred with respect to SONIA or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 3.07(c)(i).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the sum of (1) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Pounds Sterling-denominated syndicated credit facilities and (2) the related Benchmark Replacement Adjustment; *provided* that if the Benchmark Replacement would be less than the Floor, the Benchmark Replacement shall be deemed to be the Floor for all purposes of this Agreement.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Pounds Sterling-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness, non-compliance will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any then-current Benchmark, the occurrence of one or more of the following events:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Borrower**” is defined in the preamble hereto.

“**Borrowing**” means a borrowing hereunder consisting of the aggregate amount of Loans made by the Lenders on any Borrowing Date.

“**Borrower Materials**” is defined in [Section 6.01](#).

“**Borrowing Date**” means any day (which shall be a SONIA Business Day) during the Availability Period on which an Advance is made pursuant to [Section 2.01\(a\)](#).

“**Borrowing Notice**” is defined in [Section 2.08](#).

“**Business Day**” any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

“**Capitalized Lease**” of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles; provided that notwithstanding anything contained in the definition of Agreement Accounting Principles to the contrary, unless the Borrower otherwise elects by delivery of a notice to the Administrative Agent, all leases of any Person that are or would be characterized as operating leases in accordance with GAAP as in effect in the United States on January 31, 2018 (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capitalized Leases) for purposes of this Agreement regardless of any change in GAAP following the date that would otherwise require such obligations to be recharacterized as Capitalized Leases.

“**Capitalized Lease Obligations**” of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles; provided that notwithstanding anything contained in the definition of Agreement Accounting Principles to the contrary, unless the Borrower otherwise elects by delivery of a notice delivered to the Administrative Agent, all obligations under any leases of any Person that are or would be characterized as operating lease obligations in accordance with GAAP as in effect in the United States on January 31, 2018 (whether or not such operating lease obligations were in effect on such date) shall continue to be accounted for as operating lease obligations (and not as Capitalized Lease Obligations) for purposes of this Agreement regardless of any change in GAAP following the date that would otherwise require such obligations to be recharacterized as Capitalized Lease Obligations.

“**Catalonia**” is defined in the preamble hereto.

“**Catalonia Acquisition**” is defined in the preamble hereto.

“**Catalonia Acquisition Documents**” means (i) if the Catalonia Acquisition is to be effected by means of a Scheme, the Scheme Documents; or (ii) if the Catalonia Acquisition is to be effected by means of an Offer, the Offer Documents.

“**Catalonia Shares**” means the existing unconditionally allotted or issued and fully paid ordinary shares in the capital of Catalonia and any further ordinary shares which are unconditionally allotted or issued before the Closing Date.

“**Central Bank Rate**” means, the greater of (a)(i) the Bank of England’s “Bank Rate” as published by the Bank of England from time to time, plus (ii) the applicable Central Bank Rate Adjustment and (b) the Floor.

“**Central Bank Rate Adjustment**” means, for any day, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Daily Simple SONIA Rate for the five most recent SONIA Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest Daily Simple SONIA Rate applicable during such period of five SONIA Business Days) minus (ii) the Central Bank Rate in respect of Pounds Sterling in effect on the last SONIA Business Day in such period. For purposes of this definition, the Central Bank Rate shall be determined without giving effect to clause (a)(ii) of the definition thereof.

“**Certain Funds Covenant**” means the covenants contained in Section 6.14.

“**Certain Funds Default**” means a Default described in Section 7.01 (but only to the extent arising from a Certain Funds Representation); Section 7.02 (but only with respect to a Default in the payment of principal or interest) if such Default shall remain unremedied for five (5) Business Days after the occurrence thereof; Section 7.03 (but only to the extent arising from a Certain Funds Covenant) if such Default is continuing on the Closing Date or on any subsequent Borrowing Date; Section 7.05 (but solely as it relates to the Borrower), Section 7.06 (but solely as it relates to the Borrower) or Section 7.11(ii).

“**Certain Funds Period**” means the period from (and including) the date of this Agreement to (and including) 11:59 p.m. (New York time) on the earliest of:

(a) if the first Rule 2.7 Announcement has not been released by then, the date that is ten (10) Business Days after the date of this Agreement;

(b) where the Catalonia Acquisition proceeds by way of a Scheme, the earliest of: (i) the date on which the Scheme lapses or is withdrawn with the consent of the Takeover Panel or by order of the Court (unless, within five (5) Business Days following such date, the Borrower has notified the Joint Lead Arrangers that it intends to launch an Offer and the Rule 2.7 Announcement for the Offer has been released) (ii) the date on which Catalonia has become a direct or indirect wholly owned subsidiary of the Borrower and all of the consideration payable under the Catalonia Acquisition in respect of the Catalonia Shares or proposals made or to be made under Rule 15 of the Takeover Code in connection with the Catalonia Acquisition, has in each case been paid in full; and (iii) the Longstop Time; and

(c) where the Catalonia Acquisition is to be consummated pursuant to an Offer, the earliest of (i) the date on which the Offer lapses, terminates or is withdrawn, in each case, with the consent of the Takeover Panel or a court order (unless, within five (5) Business Days following such date, the Borrower has notified the Joint Lead Arrangers that it intends to launch a Scheme and the Rule 2.7 Announcement for the Scheme has been released), (ii) the date on which Catalonia has become a direct or indirect wholly owned subsidiary of the Borrower and all of the consideration payable under the Offer in respect of the Catalonia Shares or proposals made or to be made under Rule 15 of the Takeover Code in connection with the Catalonia Acquisition, has in each case been paid in full; and (iii) the Longstop Time,

provided that a switch from a Scheme to an Offer or from an Offer to a Scheme (or, for the avoidance of doubt, any amendments to the terms and conditions of a Scheme or an Offer) shall not constitute a lapse, termination or withdrawal for the purpose of this definition.

“**Certain Funds Representation**” means the representations and warranties contained in Section 5.01(a), Section 5.02, Section 5.03(a)(ii), Section 5.09 and Section 5.10.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives promulgated thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in the case of clauses (x) and (y) be deemed to be a “Change in Law”, regardless of the date enacted, adopted, issued, promulgated or implemented.

“**Change of Control**” means an event or series of events by which any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of more than 50.0% of the then-outstanding shares of capital stock or equivalent interests of the Borrower the holders of which are ordinarily, in the absence of contingencies, entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully diluted basis, even though the right to so vote has been suspended by the happening of such a contingency (the “**Voting Stock**”). Notwithstanding the foregoing, a transaction will not be considered to be a Change of Control if (x) the Borrower becomes a direct or indirect wholly owned Subsidiary of another Person and (y) the shares of the Voting Stock of the Borrower outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of such Person immediately after giving effect to such transaction.

“**Closing Date**” means the date on which all of the conditions specified in Section 4.02 shall first be satisfied (or waived).

“**Code**” means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

“**Commitment**” means, for each Lender, the obligation of such Lender to make Loans to the Borrower pursuant to Section 2.01(a) in an aggregate principal amount not to exceed the amount set forth on the Commitment Schedule (which schedule shall set forth each Lender’s Commitment as of the Effective Date) or in an Assignment and Assumption executed pursuant to Section 12.01, as it may be modified as a result of any assignment that has become effective pursuant to Section 12.01 or as otherwise modified from time to time pursuant to the terms hereof.

“**Commitment Schedule**” means the Schedule attached hereto and identified as such, identifying each Lender’s Commitment as of the Effective Date.

“**Communication**” is defined in Section 14.02.

“**Companies Act of 2006**” means the Companies Act 2006 of the United Kingdom (as amended).

“**Conforming Changes**” means, with respect to the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “SONIA Business Day,” the addition of a new concept of “interest period”, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, the addition of conversion or continuation and notices related thereto, the applicability and length of lookback periods and other technical, administrative or operational matters) that the Administrative Agent decides, after consultation with the Borrower, in its reasonable discretion may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides in its reasonable discretion that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines in its reasonable discretion that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides in its reasonable discretion is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Consolidated Assets**” means, at any date of determination, the total amount, as shown on or reflected in the most recent consolidated balance sheet of the Borrower and its subsidiaries as at the end of the Borrower’s fiscal quarter ending prior to such date, of all assets of the Borrower and its consolidated subsidiaries on a consolidated basis in accordance with Agreement Accounting Principles (giving pro forma effect to any acquisition or disposition of Property of the Borrower or any of its subsidiaries involving the payment or receipt of consideration by the Borrower or any of its subsidiaries in excess of \$400,000,000 that has occurred since the end of such fiscal quarter as if such acquisition or disposition had occurred on the last day of such fiscal quarter).

“**Consolidated EBITDA**” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period *plus*

- (a) the following (without duplication) to the extent deducted in calculating such Consolidated Net Income for such period:
 - (i) Consolidated Interest Charges for such period;
 - (ii) the provision for federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period, including, without limitation, any franchise taxes or other taxes based on income, profits or capital and all other taxes that are included in the provision for income tax line item on the consolidated income statement of the Borrower and its Subsidiaries for such period;

(iii) depreciation and amortization expense (excluding, for avoidance of doubt, amortization of deferred commissions, capitalized costs to acquire revenue contracts or substantially equivalent items) for such period;

(iv) any increases in deferred or unearned revenue or substantially equivalent items for such period (net of any increases in deferred costs (which deferred costs, for avoidance of doubt, do not include deferred commissions, capitalized costs to acquire revenue contracts or substantially equivalent items) for such period);

(v) all non-cash expenses, losses or charges for such period (other than any such non-cash expenses, losses or charges that represent an accrual or reserve for future cash expenses, losses or charges or that relate to the write-down of current assets), including, without limitation, non-cash stock based employee compensation expenses for such period and non-cash expenses, losses or charges for such period in connection with (A) “goodwill impairment losses” under FASB Statement 142, (B) unrealized losses resulting from mark-to-market accounting in respect of Rate Management Transactions and (C) unrealized losses on equity investments;

(vi) in connection with any Acquisition (including the Catalonia Acquisition but excluding any Acquisition of the type set forth in clause (d) of the definition thereof) or non-ordinary course disposition of Property, all non-recurring restructuring costs, facilities relocation costs, acquisition integration costs and fees, including cash severance payments, and non-recurring fees and expenses, in each case paid during such period in connection with such Acquisition or non-ordinary course disposition of Property and within twelve (12) months of the completion of such Acquisition or non-ordinary course disposition of Property, as applicable; *provided* that the amount added back to Consolidated Net Income pursuant to this clause (vi) in respect of any such costs, fees, payments and expenses paid in cash in connection with all such Acquisitions and non-ordinary course dispositions shall not exceed 15% of Consolidated EBITDA (calculated before giving effect to this clause (vi) in the aggregate for any period of four fiscal quarters of the Borrower);

(vii) any extraordinary, unusual or non-recurring expenses, charges or losses;

(viii) transaction, integration and restructuring fees, costs and expenses incurred in connection with the Spinoff; provided that the amounts added back pursuant to this clause (viii) in respect of any such restructuring fees, costs and expenses incurred from and after January 1, 2021 may not exceed, with respect to any period of four consecutive fiscal quarters, \$25,000,000 (it being understood and agreed no such limitation shall apply to any such fees, costs and expenses incurred prior to January 1, 2021);

minus

(b) the following (without duplication) to the extent included in calculating such Consolidated Net Income:

(i) any extraordinary gains (less all fees and expenses related thereto);

(ii) any decreases in deferred or unearned revenue or substantially equivalent items for such period (net of any decreases in deferred costs (which deferred costs, for avoidance of doubt, do not include deferred commissions, capitalized costs to acquire revenue contracts or substantially equivalent items) for such period); and

(iii) all non-cash income or gains for such period including, without limitation, unrealized gains resulting from mark-to-market accounting in respect of Rate Management Transactions and unrealized gains on equity investments.

In addition, in the event that the Borrower or any of its subsidiaries, during the relevant period, consummated an acquisition (including the Catalonia Acquisition) or disposition of Property involving the payment or receipt of consideration by the Borrower or any of its subsidiaries in excess of \$400,000,000, Consolidated EBITDA will be determined giving pro forma effect to such acquisition or disposition as if such acquisition or disposition and any related incurrence or repayment of Indebtedness had occurred on the first day of the relevant period, but shall not take into account any cost savings projected to be realized as a result of such acquisition or disposition.

“Consolidated Interest Charges” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of, without duplication, (a) all interest, premium payments, amortization of debt discount, fees, charges and related expenses in connection with Indebtedness (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP *plus* (b) the portion of rent expense with respect to such period under Capitalized Leases that is treated as interest in accordance with GAAP.

“Consolidated Leverage Ratio” means, as of any date of determination, the ratio of (a) Indebtedness for Borrowed Money of the Borrower and its Subsidiaries on a consolidated basis as of such date to (b) Consolidated EBITDA for the most recently completed four fiscal quarters.

“Consolidated Net Income” means, for any period, for the Borrower and its Subsidiaries calculated on a consolidated basis, net income for that period, as determined in accordance with Agreement Accounting Principles.

“Contingent Obligation” means, for any Person, any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person that constitute Indebtedness (other than Indebtedness of the type described in clause (v) of the definition of such term), or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

“**Controlled Group**” means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control or treated as a single employer with the Borrower or any of its Subsidiaries, in each case, under Section 414 of the Code.

“**Co-Documentation Agents**” means each entity appointed as a Co-Documentation Agent by the Borrower, each in its capacity as a documentation agent for the Lenders, and not in its individual capacity as a Lender; *provided* that there shall be no more than two (2) Co-Documentation Agents.

“**Court**” means the High Court of Justice of England and Wales.

“**Court Meeting**” means, if the Catalonia Acquisition proceeds by way of a Scheme, the meeting(s) of the holders of the Catalonia Shares or any adjournment thereof to be convened by an order of the Court and, if thought fit, approve the Scheme (with or without amendment), together with any meeting held as a result of an adjournment or reconvention by the Court thereof.

“**Court Orders**” shall mean, if the Catalonia Acquisition proceeds by way of a Scheme, the order(s) of the Court sanctioning the Scheme.

“**Credit Facility**” means the credit facility established pursuant to [Article 2](#).

“**Daily Simple SONIA Rate**” means, for any day (a “**SONIA Rate Day**”), a rate per annum equal to the greater of (A) SONIA for the day (such day “i”) that is five SONIA Business Days prior to (1) if such SONIA Rate Day is a SONIA Business Day, such SONIA Rate Day or (2) if such SONIA Rate Day is not a SONIA Business Day, the SONIA Business Day immediately preceding such SONIA Rate Day, in each case, as such SONIA is published by the SONIA Administrator on the SONIA Administrator’s Website, and (B) the Floor. If by 5:00 pm (local time for SONIA) on the second SONIA Business Day immediately following any day “i”, SONIA in respect of such day “i” has not been published on the SONIA Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SONIA Rate has not occurred, then SONIA for such day “i” will be SONIA as published in respect of the first preceding SONIA Business Day for which SONIA was published on the SONIA Administrator’s Website; *provided* that SONIA determined pursuant to this sentence shall be utilized for purposes of calculation of the Daily Simple SONIA Rate for no more than three (3) consecutive SONIA Rate Days. Any change in the Daily Simple SONIA Rate due to a change in SONIA shall be effective from and including the effective date of such change in SONIA without notice to the Borrower.

“Debt Issuance” means incurrence of indebtedness for borrowed money by the Borrower or any Subsidiary (excluding (i) Indebtedness owed to the Borrower or any Subsidiary, (ii) borrowings under the Existing Credit Agreement (including pursuant to any incremental facilities thereunder) or any revolving facility entered into to refinance or replace the Existing Credit Agreement, (iii) any borrowings for working capital purposes or under any letter of credit or overdraft facilities, (iv) issuances of commercial paper and refinancings thereof, (v) Indebtedness incurred in connection with the refinancing of any existing Indebtedness; provided that the maturity date for such refinanced Indebtedness is within six (6) months of the date of the incurrence of such refinancing Indebtedness; (vi) purchase money or equipment indebtedness or other capital expenditure financings incurred in the ordinary course of business, (vii) Indebtedness incurred pursuant to any supply chain financing arrangements, (viii) Indebtedness incurred under the Qualifying Term Loan Facility, (ix) Indebtedness incurred pursuant to any short-term debt programs and (x) other Indebtedness, the Net Cash Proceeds of which do not to exceed \$250,000,000 in the aggregate.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means an event described in [Article 7](#).

“Defaulting Lender” means, subject to [Section 2.21\(d\)](#), any Lender that (a) has failed to (i) perform any of its funding obligations hereunder, including in respect of its Loans, on the date and at the time any Advances were required to be funded hereunder (such Lender, a **“Non-Funding Lender”**) or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder, or generally under other agreements in which it commits to extend credit, unless such notification or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding cannot be satisfied (which conditions precedent, together with the applicable default, if any, will be specifically identified in such writing or public statement), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower to confirm in a manner satisfactory to the Administrative Agent or the Borrower, as applicable, that it will comply with its funding obligations, which request was made because of a reasonable concern by the Administrative Agent or the Borrower that such Lender may not be able to comply with its funding obligations hereunder; *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent or the Borrower, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) become the subject of a Bail-In Action or (iv) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority unless such ownership or equity results in or provides such Lender with immunity from the jurisdiction of courts within the United States or any other nation or from the enforcement of judgments or writs of attachment on its assets or permits such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to [Section 2.21\(d\)](#)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each Lender promptly following such determination.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is, or its government is, the subject or target of any Sanction.

“Disposition” means any sale, transfer or other disposition, or series of related sales, transfers, or dispositions (including pursuant to any merger, amalgamation or consolidation or by means of a “plan of division” under the Delaware Limited Liability Company Act or any comparable transaction under any similar law), of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole.

“Disqualified Stock” means any capital stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the Stated Maturity Date.

“Dollar” and **“\$”** means dollars in the lawful currency of the United States of America.

“Domestic Subsidiary” means any Subsidiary of the Borrower that is not a Foreign Subsidiary, a Subsidiary of a Foreign Subsidiary or a Foreign Subsidiary Holding Company.

“Duration Fee” is defined in [Section 2.05](#).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Effective Date**” means the date on which all of the conditions specified in Section 4.01 shall first be satisfied (or waived).

“**Eligible Assignee**” means any Person that meets the requirements to be an assignee under Section 12.01(b)(v), (vi) and (vii) (subject to such consents, if any, as may be required under Section 12.01(b)(iii)) and any Person that is a lender under the Existing Credit Agreement on the date hereof.

“**Engagement Letter**” means that certain Engagement Letter, dated as of the date hereof, among the Borrower, Barclays Capital Inc. and Citigroup Global Markets Inc.

“**Environmental Laws**” means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (a) the protection of the environment, (b) the effect of the environment on human health, (c) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (d) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

“**Environmental Liability**” means any liability, contingent or otherwise (including any liability for damages, cost of environmental remediation, fines, penalties or indemnities), resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“**Equity Issuance**” means the issuance of any Equity Interests by the Borrower (excluding (i) issuances pursuant to employee stock plans, other benefit or employee incentive arrangements, retirement plans or issued as compensation to officers and/or non-employee directors, (ii) issuances of directors’ qualifying shares and/or other nominal amounts required to be held by persons other than Subsidiaries of the Borrower under applicable law, (iii) issuances to any Subsidiary of the Borrower, (iv) issuances as consideration for the Catalonia Acquisition or any other Acquisition or (v) other issuances, the Net Cash Proceeds of which do not exceed \$500,000,000).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, including (unless the context otherwise requires) the rules or regulations promulgated thereunder.

“Erroneous Payment” is defined in Section 10.11(a).

“Erroneous Payment Return Deficiency” is defined in Section 10.11(d).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Exchange Rate” for a currency means the rate determined by the Administrative Agent for the purchase of such currency with another currency, as published on the applicable Reuters screen page (or such other source as may be agreed upon by the Administrative Agent and the Borrower) at or about 11:00 a.m. (New York time) on the date two Business Days prior to the date as of which the foreign exchange computation is made. In the event that such rate does not appear on the applicable Reuters screen page (or such other source as may be agreed upon by the Administrative Agent and the Borrower), the “Exchange Rate” with respect to the purchase of such currency with another currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such “Exchange Rate” shall instead be the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office in respect of such currency at approximately 11:00 a.m. (local time) on the date two Business Days prior to the date as of which the foreign exchange computation is made; *provided* that if at the time of any such determination, no such spot rate can reasonably be quoted, the Administrative Agent may use any reasonable method as it deems applicable to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Taxes” means any of the following Taxes imposed on, with respect to, or required to be withheld or deducted from a payment to, the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its net income (however denominated), franchise Taxes, and branch profits or similar Taxes, in each case, imposed by the jurisdiction (or any political subdivision thereof) (i) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Installation is located, or (ii) that are Other Connection Taxes, (b) any backup withholding Tax that is required by the Code to be withheld from amounts payable to a Lender that has failed to comply with Section 3.05(e)(ii), (c) in the case of a Lender, any U.S. federal withholding Tax that is required to be imposed on amounts payable to such Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18) pursuant to the laws in force at the time such Lender becomes a party hereto (or designates a new Lending Installation), except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Installation (or assignment), to receive additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 3.05(a)(i) or (ii), (d) any withholding Tax that is attributable to such Lender’s failure to comply with Section 3.05(e) and (e) any U.S. withholding Taxes imposed under FATCA.

“**Exhibit**” refers to an exhibit to this Agreement, unless another document is specifically referenced.

“**Existing Credit Agreement**” means the Borrower’s existing Credit Agreement, dated as of June 23, 2021, among the Borrower, Citibank, N.A., as administrative agent, and the lenders and other parties from time to time party thereto.

“**Facility Termination Date**” means the earliest of (a) 364 days following the Closing Date, *provided* that if such date is not a Business Day, such date shall be the immediately preceding Business Day (this clause (a), the “**Stated Maturity Date**”) and (b) the date of termination in whole of the Aggregate Commitment and repayment in full or acceleration of the Loans pursuant to Section 2.05(e), Section 2.07(a) and/or Section 8.01 hereof.

“**FATCA**” means Sections 1471-1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations promulgated thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreements, treaty or convention entered into in connection with the implementation of the foregoing and any laws, rules and regulations adopted by a non-U.S. jurisdiction to effect any such intergovernmental agreement, treaty or convention.

“**Fee Letter**” means that certain Fee and Syndication Letter, dated as of the date hereof, by and among the Borrower, Barclays Bank PLC and Citigroup Global Markets Inc., as the same may be amended, supplemented or otherwise modified from time to time.

“**Floor**” means a rate of interest equal to zero.

“**Foreign Lender**” means any Lender that is not organized under the laws of the United States, any State thereof or the District of Columbia.

“**Foreign Pension Plan**” means any defined benefit plan as described in Section 3(35) of ERISA for which the Borrower, any Subsidiary or any member of the Controlled Group is a sponsor or administrator or to which the Borrower, any Subsidiary or any member of the Controlled Group has any liability, and which (a) is maintained or contributed to for the benefit of employees of the Borrower, any of its respective Subsidiaries or any member of its Controlled Group, (b) is not covered by ERISA pursuant to Section 4(b)(4) of ERISA, and (c) under applicable local law, is required to be funded through a trust or other funding vehicle.

“Foreign Subsidiary” means a Subsidiary of the Borrower that is not organized or established under the laws of the United States of America, any state thereof or the District of Columbia. For the avoidance of doubt, any Subsidiary incorporated or organized under the laws of a territory of the United States (including the Commonwealth of Puerto Rico) shall constitute a “Foreign Subsidiary” hereunder.

“Foreign Subsidiary Holding Company” means a Subsidiary of the Borrower that owns no material assets (directly or through its Subsidiaries) other than equity interests of one or more Foreign Subsidiaries.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“Funding Fee” is defined in Section 2.05.

“GAAP” means generally accepted accounting principles in the United States of America, as in effect from time to time, subject to the Agreement Accounting Principles.

“General Meeting” means the extraordinary general meeting of the Catalonia shareholders (and any adjournment thereof) to be convened in connection with the Scheme.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantors” means after the Effective Date, any Subsidiary of the Borrower that becomes a Guarantor pursuant to Section 16.01; provided that upon the release or discharge of any Subsidiary from its Guarantee in accordance with the terms of this Agreement, such Person shall cease to be a Guarantor; provided, further, that as of the Effective Date, there shall be no Guarantors under this Agreement or any other Loan Document.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Illegal” means a violation of Anti-Corruption Laws, the U.S. Patriot Act or any applicable Sanctions resulting solely from the Borrower’s intended use of proceeds of the Advances in violation of Anti-Corruption Laws, the U.S. Patriot Act or any applicable Sanctions, and **“Illegality”** shall have a corresponding meaning.

“**Illegality Notice**” is defined in [Section 3.07\(b\)](#).

“**Indebtedness**” of a Person means, without duplication, (a) the obligations of such Person (i) for borrowed money, (ii) under or with respect to notes payable which represent extensions of credit (whether or not representing obligations for borrowed money) to such Person, (iii) constituting reimbursement obligations with respect to letters of credit and banker’s acceptances issued for the account of such Person, (iv) for the deferred purchase price of property or services (other than current accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade), (v) for its Contingent Obligations, (vi) for its Net Mark-to-Market Exposure under Rate Management Transactions, (vii) for its Capitalized Lease Obligations, (viii) [Reserved], (ix) [Reserved] and (x) with respect to Disqualified Stock, (b) the obligations of others, whether or not assumed, secured by Liens on property of such Person or payable out of the proceeds of, or production from, property or assets now or hereafter owned or acquired by such Person and (c) any other obligation or other financial accommodation which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

“**Indebtedness for Borrowed Money**” of a Person means, without duplication, (a) the outstanding principal amount of indebtedness for borrowed money (whether or not evidenced by bonds, debentures, notes or similar instruments), (b) obligations for the deferred purchase price of property or services (other than (i) trade accounts payable, intercompany charges and expenses, deferred revenue and other accrued liabilities (including deferred payments in respect of services by employees), in each case incurred in the ordinary course of business and (ii) any earn-out obligation or other post-closing balance sheet adjustment prior to such time as it becomes a liability on the balance sheet of the Borrower in accordance with GAAP), (c) Capitalized Lease Obligations, (d) unpaid reimbursement obligations with respect to drawn letters of credit and banker’s acceptances issued for the account of such Person (to the extent not already cash collateralized) and (e) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other Person of the kinds referred to in clause (a), (b), (c) or (d) above. Notwithstanding the foregoing, clause (c) shall not include any obligations of the Borrower or any Subsidiary classified as Capitalized Lease Obligations under GAAP or for other accounting purposes, but for which the Borrower and its Subsidiaries do not make and are not required to make any cash payment.

“**Indemnified Taxes**” means Taxes (other than Excluded Taxes) imposed on or with respect to any payment made by or on account of any obligation of the Borrower hereunder.

“**Indemnitee**” is defined in [Section 9.06\(b\)](#).

“**Information**” is defined in [Section 9.10](#).

“**Initial Lenders**” means Barclays Bank PLC and Citibank, N.A.

“**Judgment Currency**” is defined in Section 15.06.

“**Lenders**” means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns, as well as any Person that becomes a “Lender” hereunder pursuant to an Assignment and Assumption.

“**Lending Installation**” means, with respect to a Lender or the Agents, the office, branch, subsidiary or affiliate of such Lender or Agent listed on the administrative information sheets provided to the Administrative Agent in connection herewith, or otherwise selected by such Lender or Agent pursuant to Section 2.16.

“**Lien**” means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

“**Loan**” means an extension of credit by a Lender to the pursuant to Section 2.01(a).

“**Loan Documents**” means this Agreement, any joinder document pursuant to which a Subsidiary of the Borrower joins this Agreement as a Guarantor, any Notes issued pursuant to Section 2.13 (if requested) and each other document jointly designated as a “Loan Document” in writing by the Borrower and the Administrative Agent, as the same may be amended, restated or otherwise modified and in effect from time to time.

“**Longstop Time**” means, 11:59 p.m. (New York City time) on the date that is eleven (11) months following the release of the Relevant Rule 2.7 Announcement, or, in the event that the Offer has been declared wholly unconditional in the fourteen (14) days prior to such time, 11:59 p.m. (New York City time) on the date that is fourteen (14) days after the date on which the Offer has been declared wholly unconditional (or, in each case, such later date as may be agreed by the Administrative Agent (acting with the consent of all Lenders)).

“**Major Subsidiary**” means any Subsidiary of the Borrower which has at any time total assets (after intercompany eliminations) exceeding 10% of Consolidated Assets.

“**Material Acquisition**” means any Acquisition the total consideration for which is equal to or greater than \$400,000,000.

“**Material Adverse Effect**” means a material adverse effect on (a) the financial condition, results of operations, business or Property of the Borrower and its Subsidiaries taken as a whole or (b) the rights of or remedies available to the Lenders or the Administrative Agent against the Borrower under the Loan Documents, taken as a whole.

“**Multiemployer Plan**” means a multiemployer plan as defined in Section 3(37) of ERISA that is subject to Title IV of ERISA and to which the Borrower, any Subsidiary or any member of the Controlled Group makes contributions, is obligated to make contributions or has any liability.

“Net Cash Proceeds” means:

(a) with respect to any Asset Sale by the Borrower or any of its Domestic Subsidiaries, the excess, if any, of (i) the cash or cash equivalents received by the Borrower or its Domestic Subsidiaries in connection therewith (including any cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or other non-cash proceeds, but only as and when so received) over (ii) the sum, without duplication, of (A) payments to retire any debt that is required to be repaid in connection therewith (other than Advances under the Credit Facility), (B) the fees and expenses incurred by the Borrower or any of its Subsidiaries in connection therewith, (C) in the case of a sale, transfer, lease or other disposition (including pursuant to a sale-and-leaseback transaction or a casualty or a condemnation or similar proceeding) of an asset, the amount of all payments required to be made to the Borrower and its Subsidiaries as a result of such event to repay indebtedness for borrowed money secured by such asset, (D) taxes paid or reasonably estimated to be payable in connection with such transaction and (E) the amount of reserves established by the Borrower or any of its Subsidiaries in accordance with GAAP to fund adjustments in respect of the purchase price of such asset or assets or indemnification or similar contingent obligations reasonably estimated to be payable within two (2) years after the occurrence of such disposition and that are directly attributable to the occurrence of such disposition (as determined reasonably and in good faith by the Borrower); provided that if the amount of such reserves exceeds the amounts charged against such reserve, then such excess, upon the determination thereof, shall then constitute Net Cash Proceeds; provided, further, that if the Borrower or any of its Domestic Subsidiaries receives proceeds that would otherwise constitute Net Cash Proceeds from a sale or other disposition of assets outside the ordinary course of business, the Borrower or its Domestic Subsidiaries may reinvest, or commit to reinvest, any portion of such proceeds in the business of the Borrower or any of its Subsidiaries and, in such case, such proceeds shall only constitute Net Cash Proceeds to the extent not so reinvested (or committed to be reinvested) within the 12-month period following receipt of such proceeds;

(b) with respect to the incurrence, issuance, offering or placement of indebtedness for borrowed money by the Borrower or any of its Subsidiaries, the excess, if any, of (i) the cash or cash equivalents received in connection therewith (including any cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or other non-cash proceeds, but only as and when so received) over (ii) the sum of (A) payments made to retire any indebtedness for borrowed money that is required to be repaid in connection therewith (other than the Advances) and (B) the underwriting discounts and commissions and other fees and expenses incurred by the Borrower and its Subsidiaries in connection with such incurrence, issuance, offering or placement; and

(c) with respect to any Equity Issuance, the excess of (i) the cash received by the Borrower in connection with such issuance over (ii) the underwriting discounts and commissions and other fees and expenses incurred by the Borrower or any of its Subsidiaries in connection with such issuance.

“**Net Mark-to-Market Exposure**” of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. “**Unrealized losses**” means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and “unrealized profits” means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

“**Non-Defaulting Lender**” means, at any time, a Lender that is not a Defaulting Lender.

“**Non-Funding Lender**” is defined in the definition of “Defaulting Lender.”

“**Note**” is defined in Section 2.13(e).

“**Obligations**” means all Loans, debts, liabilities, obligations, covenants and duties owing by the Borrower to any of the Agents, any Lender, the Arrangers, any affiliate of the Agents or any Lender, the Arrangers, or any indemnitee under the provisions of Section 9.06 or any other provisions of the Loan Documents, in each case of any kind or nature, present or future, arising under this Agreement or any other Loan Document, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, foreign exchange risk, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired (including, for the avoidance of doubt, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any proceeding under any Debtor Relief Law, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding). The term includes, without limitation, all interest, charges, expenses, fees, attorneys’ fees and disbursements, paralegals’ fees, and any other sum chargeable to the Borrower under this Agreement or any other Loan Document.

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“**Offer**” means a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act of 2006) to be made by or on behalf of the Borrower in accordance with the Offer Documents to acquire the entire issued and to be issued share capital of Catalonia and, where the context admits, any subsequent revision, variation, extension or renewal of such offer.

“**Offer Documents**” means any Rule 2.7 Announcement relating to the Offer, the Offering Circular and any other documents to be sent by the Borrower to Catalonia’s shareholders, and otherwise made available to such persons and in the manner required by Rule 24.1 of the Takeover Code in connection with the Offer.

“**Offer Effective Date**” means, if the Catalonia Acquisition proceeds by way of an Offer, the date on which the Offer is declared unconditional in all respects by the Borrower.

“**Offering Circular**” means, if the Acquisition proceeds by way of an Offer, any public offer document issued or to be issued by the Borrower to Catalonia’s shareholders in connection with an Offer setting out the terms of the Offer (including any amendments, revisions or extensions thereof).

“**Other Connection Taxes**” means, with respect to the Administrative Agent or any Lender, Taxes imposed as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction imposing such Tax (other than connections arising from the Administrative Agent’s or such Lender’s having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Taxes**” means all present or future stamp, documentary, intangible, recording or filing taxes or any similar taxes, charges or levies arising from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18).

“**Overnight Rate**” means, for any day the rate of interest per annum at which overnight deposits in Pounds Sterling, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Administrative Agent in the applicable offshore interbank market for Pounds Sterling to major banks in such interbank market.

“**Participant**” is defined in Section 12.01(d).

“**Participant Register**” is defined in Section 12.01(d).

“**Payment Date**” means (x) initially, the three-month anniversary of the Closing Date and (y) thereafter, the date that is three months following the previous Payment Date.

“**Payment Recipient**” is defined in Section 10.11(a).

“**PBGC**” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“Permitted Refinancing” means, with respect to any Specified Indebtedness for Borrowed Money, any Specified Indebtedness for Borrowed Money issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to **“Refinance”**), the Specified Indebtedness for Borrowed Money being Refinanced (or previous refinancings thereof constituting a Permitted Refinancing); *provided* that the principal amount thereof does not exceed the sum of (a) the principal amount of the Specified Indebtedness for Borrowed Money being Refinanced, plus (b) prepayment premiums (including tender premiums) and penalties, accrued interest, defeasance costs, and fees, costs and expenses incurred in connection therewith.

“Person” means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

“Plan” means an employee benefit plan other than a Multiemployer Plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower, any Subsidiary or any member of the Controlled Group may have liability.

“Platform” is defined in [Section 6.01](#).

“Pounds Sterling” and **“£”** means freely transferable lawful money of the United Kingdom (expressed in Pounds Sterling).

“Pricing Schedule” means the Schedule identifying the Applicable Margin attached hereto identified as such.

“Property” of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

“Pro Rata Share” means, with respect to a Lender, a portion equal to a fraction the numerator of which is such Lender’s Commitment at such time (in each case, as adjusted from time to time in accordance with the provisions of this Agreement) and the denominator of which is the Aggregate Commitment at such time, or, if the Aggregate Commitment has been terminated, a portion equal to a fraction the numerator of which is such Lender’s Loans at such time and the denominator of which is the sum of the Loans at such time.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” is defined in [Section 6.01](#).

“Qualifying Term Loan Facility” means a term loan facility entered into by the Borrower for the purpose of financing the Transactions that is subject to conditions precedent to funding that are no less favorable to the Borrower than the conditions set forth herein to the funding of the Credit Facility, as determined by the Borrower in its reasonable discretion.

“Rate Management Transaction” (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a **“Master Agreement”**), including any such obligations or liabilities under any Master Agreement. For the avoidance of doubt, the following shall not be deemed a “Rate Management Transaction”: (i) any phantom stock or similar plan (including any stock option plan) providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its Subsidiaries, (ii) any stock option or warrant agreement for the purchase of equity interests of the Borrower, (iii) the purchase of equity interests or Indebtedness (including securities convertible into equity interests) of the Borrower pursuant to delayed delivery contracts or (iv) any of the foregoing to the extent that it constitutes a derivative embedded in a convertible security issued by the Borrower.

“Register” is defined in [Section 12.01\(c\)](#).

“Regulation D” means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors.

“Regulation X” means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors.

“Related Parties” means, with respect to any Person, such Person’s Affiliates, controlling Persons, successors and assigns, and the directors, officers, employees, agents and advisors of the foregoing.

“Relevant Governmental Body” means the Bank of England, or a committee officially endorsed or convened by the Bank of England, or, in each case, any successor thereto.

“Relevant Rule 2.7 Announcement” means the first Rule 2.7 Announcement released in respect of the Catalonia Acquisition which will be consistent in all material respects with the draft Rule 2.7 Announcement delivered to the Administrative Agent in accordance with Section 4.01(h) (other than any amendments required by the Takeover Panel).

“Reportable Event” means a reportable event, as defined in Section 4043 of ERISA and the regulations issued under such Section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation or otherwise waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event; *provided, however*, that a failure to meet the minimum funding standard of Section 412 of the Code or of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(c) of the Code.

“Required Lenders” means, on any date of determination, Lenders in the aggregate having greater than fifty percent (50%) of the Aggregate Commitment on such date or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding greater than fifty percent (50%) of the Loans on such date; *provided* that the Commitment of, and the portion of the Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Requisite Amount” means \$100,000,000.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Rule 2.7 Announcement” means the press announcement released by the Borrower and Catalonia to announce the firm intention on the part of the Borrower to make an offer to acquire the Catalonia Shares on the terms of the Scheme or the Offer (as applicable) in accordance with Rule 2.7 of the Takeover Code.

“Same Day Funds” means same day or other funds as may be determined by the Administrative Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions in Pounds Sterling.

“Sanction(s)” means any economic or financial sanctions or trade embargoes imposed, administered or enforced by the United States Government (including, without limitation, OFAC or the U.S. Department of State), the United Nations Security Council, the European Union or Her Majesty’s Treasury.

“Schedule” refers to a specific schedule to this Agreement, unless another document is specifically referenced.

“Scheme” means a scheme of arrangement made pursuant to Part 26 of the Companies Act of 2006 between Catalonia and the holders of the Catalonia Shares in relation to the transfer of the entire issued and to be issued share capital of Catalonia (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Borrower and Catalonia) as contemplated by the Scheme Circular (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Borrower and Catalonia).

“**Scheme Circular**” means a document issued by or on behalf of Catalonia to shareholders of Catalonia setting out the proposals for the Scheme stating the recommendation of the Scheme to the shareholders of Catalonia by the board of directors of Catalonia including the notice of General Meeting and the Court Meeting.

“**Scheme Documents**” means any Rule 2.7 Announcement relating to the Scheme, the Scheme Circular together with the notices of the Court Meeting and General Meeting which accompany that Scheme Circular, the Scheme Resolutions, any other document dispatched by or on behalf of Catalonia to its shareholders in connection with the Scheme.

“**Scheme Effective Date**” means, if the Catalonia Acquisition proceeds by way of a Scheme, the date on which the Court Orders are duly filed with the Registrar of Companies in England and Wales and the Scheme becomes effective in accordance with English law.

“**Scheme Resolutions**” means, if the Catalonia Acquisition proceeds by way of a Scheme, the resolutions of Catalonia shareholders for the implementation of the Scheme referred to and substantially in the form to be set out in the Scheme Circular. “**SEC**” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“**Section**” means a numbered Section of this Agreement, unless another document is specifically referenced.

“**SONIA**” means, with respect to any SONIA Business Day, a rate per annum equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

“**SONIA Administrator**” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“**SONIA Administrator’s Website**” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“**SONIA Advance**” or “**SONIA Loan**” means an Advance or Loan which, except as otherwise provided in Section 2.11, bears interest based on the Daily Simple SONIA Rate. SONIA Advances and SONIA Loans shall be denominated in Pounds Sterling.

“**SONIA Business Day**” means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Pounds Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London.

“**SONIA Rate Day**” has the meaning assigned to such term in the definition of “Daily Simple SONIA Rate”.

“**Specified Indebtedness for Borrowed Money**” means (a) Indebtedness for Borrowed Money described under clause (a) of the definition of Indebtedness for Borrowed Money of any Major Subsidiary that is not a Guarantor and (b) guarantees by any Major Subsidiary that is not a Guarantor of any Indebtedness for Borrowed Money described under clause (a) of the definition thereof.

“**Spinoff**” means the distribution of all shares of common stock of the Borrower to the shareholders of XPO Logistics, Inc., which was consummated on August 2, 2021.

“**Stated Maturity Date**” is defined in the definition of “Facility Termination Date.”

“**Subject Related Parties**” means, with respect to any Person, such Person’s (a) controlling Persons, controlled Affiliates or subsidiaries, (b) directors, officers or employees of such Person or of any of its subsidiaries, controlled Affiliates or controlling Persons or (c) agents and advisors of such Person or of any of its subsidiaries, controlled Affiliates or controlling Persons.

“**Subsidiary**” of a Person means (a) any corporation more than fifty percent (50%) of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (b) any partnership, limited liability company, association, joint venture or similar business organization more than fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Borrower.

“**Substantial Portion**” means, on any date of determination, with respect to the Property of the Borrower and its Subsidiaries, Property which represents more than fifteen percent (15%) of the Consolidated Assets of the Borrower and its Subsidiaries on such date.

“**Successful Syndication**” has the meaning set forth in the Fee Letter.

“**Syndication Agent**” means Citibank, N.A., in its capacity as a syndication agent for the Lenders, and not in its individual capacity as a Lender.

“**Takeover Code**” means the United Kingdom City Code on Takeover and Mergers, as administered by the Takeover Panel, as may be amended from time to time.

“**Takeover Panel**” means the United Kingdom Panel on Takeovers and Mergers.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Ticking Fee**” is defined in Section 2.05.

“**Ticking Fee Rate**” means 0.125% per annum.

“**Transactions**” means, collectively, the transactions contemplated by the Loan Documents and the Acquisition Documents, including (a) consummation of the Catalonia Acquisition, (b) the Borrower’s incurrence, replacement, redemption, repayment, defeasance, discharge, constructive discharge or refinancing of Indebtedness (including Indebtedness of the Borrower and Catalonia and their respective Subsidiaries) in connection therewith, (c) any other financing (whether by equity and/or debt) consummated by the Borrower (including by way of the proceeds of the Credit Facility) in connection with the Catalonia Acquisition and (d) the payment of fees and expenses incurred in connection with the foregoing.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**Unfunded Liabilities**” means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using PBGC actuarial assumptions for single-employer plan terminations.

“**Unmatured Default**” means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

“**U.S. Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended.

“**U.S. Tax Compliance Certificate**” is defined in Section 3.05(e)(ii)(B)(3).

“**Write-Down and Conversion Powers**” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with Agreement Accounting Principles.

Section 1.02 *Exchange Rates, Basket Calculations.*

(a) For purposes of determining compliance with Section 6.10 and Section 6.11, no Unmatured Default or Default shall be deemed to have occurred solely as a result of changes in Exchange Rates occurring after the time any Specified Indebtedness for Borrowed Money or Lien, as applicable, is created or incurred.

(b) For purposes of determining compliance with Section 6.12, the amount of Indebtedness for Borrowed Money denominated in any currency other than Dollars will be converted into Dollars based on the relevant Exchange Rate(s) in effect as of the last day of the fiscal quarter of the Borrower for which the Consolidated Leverage Ratio is calculated.

(c) For purposes of compliance with Section 2.05(e) and Section 2.07(a), the amount of Net Cash Proceeds denominated in any currency other than Pounds Sterling will be converted to Pounds Sterling based on the relevant Exchange Rate(s) in effect as of the day on which such Net Cash Proceeds must be used to reduce the outstanding Commitments pursuant to Section 2.05(e) or the outstanding Loans pursuant to Section 2.07(a), as the case may be.

Section 1.03 *Reserved.*

Section 1.04 *Change of Currency.* Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be reasonably necessary to reflect a change in currency of any country and any relevant market conventions or practices relating to the change in currency.

ARTICLE 2
THE CREDITS

Section 2.01 *Description of Facility; Commitment.*

(a) *Loans.* Each Lender severally and not jointly agrees, upon the satisfaction of the conditions precedent set forth in Section 4.02 and on the terms and conditions set forth in this Agreement, to make Advances to the Borrower on any Borrowing Date in Pounds Sterling in an amount not to exceed such Lender's Commitment. The Advances shall be available in one or more draws on any Borrowing Date; *provided* that there shall be no more than five (5) total draws during the term of this Agreement. Advances borrowed under this Section 2.01(a) and paid or prepaid may not be reborrowed.

(b) *[Reserved].*

(c) *Defaulting Lenders.* Notwithstanding anything to the contrary contained in this Agreement, this Section 2.01 shall be subject to the terms and conditions of Section 2.21.

Section 2.02 *Facility Termination Date.* Any outstanding Loans and all other unpaid Obligations (other than contingent indemnity obligations) shall be paid in full by the Borrower on the Facility Termination Date. Notwithstanding the termination of this Agreement on the Facility Termination Date, until all of the Obligations (other than contingent indemnity obligations) shall have been fully paid and satisfied and all financing arrangements among the Borrower and the Lenders hereunder and under the other Loan Documents shall have been terminated, all of the rights and remedies under this Agreement and the other Loan Documents shall survive.

Section 2.03 *[Reserved].*

Section 2.04 *[Reserved].*

Section 2.05 *Fees; Reductions in Aggregate Commitment.*

(a) *Ticking Fee.* The Borrower shall pay, or cause to be paid, to the Administrative Agent, for the account of each Lender, a ticking fee in Pounds Sterling (the "**Ticking Fee**") at a per annum rate equal to the Ticking Fee Rate on the aggregate outstanding Commitments of each such Lender under the Credit Facility, as adjusted pursuant to Section 2.05(e) or Section 2.05(f), on each day from and including the date that is ninety (90) days after the Effective Date to and including the earlier of (i) the last day of the Availability Period and (ii) if such date has not then occurred, the date on which the Commitments hereunder have been terminated in full. Such Ticking Fee shall be payable on the earlier to occur of clauses (i) and (ii) in the immediately preceding sentence and upon each Borrowing Date with respect to the Commitments terminated in connection with the Advance made on such date; *provided* that no Ticking Fee shall accrue hereunder with respect to the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) *Duration Fee.* The Borrower shall pay, or cause to be paid, to the Administrative Agent, for the account of the Lenders a duration fee in Pounds Sterling (the "**Duration Fee**") on the aggregate amount of Loans outstanding and Commitments outstanding of each such Lender at a per annum amount equal to (i) 0.50% of the aggregate principal amount of the Loans outstanding and Commitments outstanding on the date which is 90 days after the Closing Date, due and payable in cash on such 90th day (or if such day is not a Business Day, the next Business Day); (ii) 0.75% of the aggregate principal amount of the Loans outstanding and Commitments outstanding on the date which is 180 days after the Closing Date, due and payable in cash on such 180th day (or if such day is not a Business Day, the next Business Day); and (iii) 1.00% of the aggregate principal amount of the Loans outstanding and Commitments on the date which is 270 days after the Closing Date, due and payable in cash on such 270th day (or if such day is not a Business Day, the next Business Day).

(c) *Funding Fee.* The Borrower shall pay to the Administrative Agent for the ratable account of the Lenders on the aggregate Loans of each such Lender, a funding fee in Pounds Sterling in an amount equal to 0.50% of the aggregate principal amount of the Loans funded on any Borrowing Date, due and payable in cash on each such Borrowing Date.

(d) *Fee Letter.* The Borrower shall pay to the Administrative Agent and the Lead Arrangers for their respective accounts (or for the account of the Lenders) fees in Pounds Sterling (unless otherwise specified in the Fee Letter) in the amounts and at the times specified in the applicable Fee Letter. Such fees shall be fully earned when paid and shall be non-refundable for any reason whatsoever.

(e) *Mandatory Termination or Reductions in Aggregate Commitment.*

(i) On each Borrowing Date, after giving effect to any Advance made to the Borrower on such date, the Commitments (excluding the Commitments of Non-Funding Lenders) shall be reduced by the principal amount of such Advance. Immediately following the end of the Availability Period, the Commitments shall be automatically reduced to zero.

(ii) In the event that the Borrower actually receives any Net Cash Proceeds arising from any Equity Issuance or the Borrower or any of its Subsidiaries actually receives any Net Cash Proceeds arising from any Debt Issuance (other than a Debt Issuance under any committed term loan facility that has reduced the Commitments hereunder pursuant to clause (iii) below) or the Borrower or any of its Domestic Subsidiaries actually receives any Net Cash Proceeds arising from any Asset Sale, in each case during the period commencing on the Effective Date and ending on the Closing Date (prior to the funding of any Advances), then the Commitments then outstanding shall be automatically reduced in an amount equal to 100% of such Net Cash Proceeds on the date of receipt by the Borrower or, as applicable, any of its Subsidiaries or Domestic Subsidiaries of such Net Cash Proceeds. The Borrower shall promptly notify the Administrative Agent of the receipt by the Borrower, or, as applicable, any Subsidiary or Domestic Subsidiary, of such Net Cash Proceeds from any Debt Issuance or Asset Sale, and such notice shall be accompanied by a reasonably detailed calculation of the Net Cash Proceeds received. Notwithstanding the foregoing, mandatory commitment reductions with respect to Net Cash Proceeds from Debt Issuances received by a Subsidiary that is not a Domestic Subsidiary shall not be required if and for so long as the Borrower has determined in good faith that repatriation to the Borrower of such Net Cash Proceeds would have material adverse tax consequences or would violate applicable local law or applicable organizational documents of such Subsidiary).

(iii) In the event that the Borrower or any of its Subsidiaries enters into any committed term loan facility for the purpose of financing the Transactions during the period commencing on the Effective Date and ending on the Closing Date (prior to the funding of any Advances), automatically upon the effectiveness of the definitive documentation for such term loan facility and receipt by the Administrative Agent of a notice from the Borrower that such term loan facility constitutes a Qualifying Term Loan Facility, the Commitments then outstanding shall be reduced in an amount equal to 100% of the committed amount under such Qualifying Term Loan Facility on the date of receipt by the Administrative Agent of such notice.

(iv) The Commitment of any Non-Funding Lender shall automatically terminate on the Facility Termination Date.

(v) The Commitments (unless previously terminated) shall automatically terminate upon the expiry of the Certain Funds Period.

All reductions of the Commitments pursuant to Section 2.05(e)(i) shall be made ratably to the Lenders' (other than Non-Funding Lenders') individual Commitments. All reductions of the Commitments pursuant to Section 2.05(e)(ii) and (iii) shall be made ratably to the Lenders' individual Commitments.

(f) *Optional Termination or Reduction of the Commitment.* The Borrower may permanently reduce the Aggregate Commitment in whole, or in part ratably (except as provided in [Section 2.18](#)) among the Lenders, in integral multiples of £3,000,000 or any whole multiple of £1,000,000 in excess thereof, by giving the Administrative Agent notice of such reduction not later than 11:00 a.m. (New York time) on any SONIA Business Day, which notice shall specify the amount of any such reduction and which notice may be conditioned upon the occurrence of one or more events specified therein.

Section 2.06 *Minimum Amount of Each Advance.* Each SONIA Advance shall be in the minimum amount of £5,000,000 (and in multiples of £1,000,000 if in excess thereof).

Section 2.07 *Prepayments, Optional Prepayments.*

(a) *Mandatory Prepayment of Loans.* In the event that the Borrower actually receives any Net Cash Proceeds arising from any Equity Issuance or the Borrower or any Subsidiary actually receives any Net Cash Proceeds arising from any Debt Issuance (other than a Debt Issuance under any committed term loan facility that has reduced the Commitments hereunder pursuant to [Section 2.05\(e\)\(iii\)](#)) or the Borrower or any of its Domestic Subsidiaries actually receives any Net Cash Proceeds arising from an Asset Sale, in each case after the Closing Date (after giving effect to any Advance made to the Borrower), then the Borrower shall apply 100% of such Net Cash Proceeds (i) first, to prepay the Loans and (ii) second, if any such Net Cash Proceeds remain after giving effect to clause (i), to reduce any outstanding Commitments, in each case not later than three (3) SONIA Business Days following the receipt by the Borrower or any such Subsidiary or Domestic Subsidiary, as applicable, of such Net Cash Proceeds. The Borrower shall promptly (and not later than the date of receipt thereof) notify the Administrative Agent of the receipt by the Borrower or, as applicable, any Subsidiary or Domestic Subsidiary, of such Net Cash Proceeds from any Equity Issuance, Debt Issuance or Asset Sale, and such notice shall be accompanied by a reasonably detailed calculation of the Net Cash Proceeds. Each prepayment of Advances shall be applied ratably and shall be accompanied by accrued interest and fees on the amount prepaid to the date fixed for prepayment.

Notwithstanding the foregoing, mandatory repayments with respect to Net Cash Proceeds from Debt Issuances received by a Subsidiary that is not a Domestic Subsidiary shall not be required if and for so long as the Borrower has determined in good faith that repatriation to the Borrower of such Net Cash Proceeds would have material adverse tax consequences or would violate applicable local law or the applicable organizational documents of such Subsidiary.

(b) *Optional Termination or Reduction of Loans.* The Borrower may from time to time pay, without penalty or premium, all of its outstanding SONIA Advances, or, in a minimum aggregate amount of £5,000,000 or any integral multiple of £1,000,000 in excess thereof, any portion of its outstanding SONIA Advances upon prior notice to the Administrative Agent substantially in the form of Exhibit C, or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) appropriately completed and signed by an Authorized Officer of the Borrower stating the proposed date and aggregate principal amount of the applicable prepayments at or before 11:00 a.m. (New York time) at least three (3) SONIA Business Days' prior to the date of such payment (or such other prior notice as the Administrative Agent may agree to). Subject to Section 2.21, each such prepayment of a Borrowing shall be applied ratably to the Loans of the Lenders included in such Borrowing in accordance with their respective Pro Rata Share. Any notice delivered pursuant to this Section 2.07 may be conditioned upon the occurrence of one or more events specified therein.

Section 2.08 *Notice of Borrowing.* The Borrower shall give the Administrative Agent notice (which notice may be conditioned on the satisfaction or waiver (in accordance with Section 8.02) of the conditions set forth in Section 4.02) substantially in the form of Exhibit E or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), in each case appropriately completed and signed by an Authorized Officer of the Borrower (a "**Borrowing Notice**") not later than 11:00 a.m. (New York time) three (3) SONIA Business Days' before the Borrowing Date for each SONIA Advance. A Borrowing Notice shall specify:

- (a) the Borrowing Date, which shall be a SONIA Business Day, of such Advance,
- (b) the aggregate amount of such Advance,
- (c) [reserved],
- (d) [reserved], and
- (e) the location and number of the Borrower's account to which proceeds of the Advance are to be disbursed.

Section 2.09 *[Reserved]*.

Section 2.10 *Interest Rates.* Each SONIA Advance shall bear interest on the outstanding principal amount thereof, for each date from and including the date such Advance is made, to but excluding the date it is paid, at a rate per annum equal to the Daily Simple SONIA Rate *plus* the Applicable Margin.

Section 2.11 *Rates Applicable After Default.* During the continuance of a Default under Section 7.02 the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.02 requiring unanimous consent of the Lenders to changes in interest rates and which election and notice shall not be required after a Default or Unmatured Default under Section 7.05 or 7.06), declare that interest on the overdue amount of the Loans shall be payable at a rate (after as well as before the commencement of any proceeding under any Debtor Relief Laws) equal to 2% per annum in excess of the rate otherwise payable thereon (and, with respect to any other overdue amounts, shall bear interest at a rate equal to the Central Bank Rate *plus* the Applicable Margin *plus* 2% per annum) commencing on the date of such Default and continuing until such Default is cured or waived.

Section 2.12 *Method of Payment.* Except as otherwise specified herein, including in Section 1.02, all payments by the Borrower of principal, interest, fees and its other Obligations shall be made in Pounds Sterling. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to Article 13, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower not later than the Applicable Time on the date when due and shall be applied ratably by the Administrative Agent among the Lenders entitled thereto. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender at such Lender's address specified pursuant to Article 13 or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender.

Section 2.13 *Noteless Agreement; Evidence of Indebtedness.*

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the extensions of credit made by such Lender to the Borrower from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall also maintain accounts in which it will record (A) the date and the amount of each Loan made hereunder, (B) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (C) the effective date and amount of each Assignment and Assumption delivered to and accepted by it and the parties thereto pursuant to Section 12.01, (D) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof, and (E) all other appropriate debits and credits as provided in this Agreement, including, without limitation, all fees, charges, expenses and interest. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control absent manifest error.

(c) The entries maintained in the accounts maintained pursuant to clauses (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay its Obligations in accordance with their terms.

(d) [Reserved]

(e) Any Lender may request that the Loans made or to be made by it be evidenced by a promissory note in substantially the form of Exhibit D (each, a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender such Note or Notes payable to such Lender (or its registered assigns). Thereafter, the Loans evidenced by each such Note and interest thereon shall at all times (including after any assignment pursuant to Section 12.01) be represented by one or more Notes payable to the payee named therein or any assignee pursuant to Section 12.01, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in clauses (a) and (b) above.

Section 2.14 *Interest Payment Dates; Interest and Fee Basis.* Interest accrued on each SONIA Advance shall be payable in arrears on each Payment Date, on any date on which the SONIA Advance is prepaid, whether by acceleration or otherwise, and on the Facility Termination Date. With respect to interest on all Advances, Ticking Fees and other fees hereunder, such interest or fees shall be calculated for actual days elapsed on the basis of a 365/366-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to 1:00 p.m. (New York time) at the place of payment. If any payment of principal or interest on an Advance, any fees or any other amounts payable to any Agent or any Lender hereunder shall become due on a day which is not a SONIA Business Day, such payment shall be made on the next succeeding SONIA Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest, fees and commissions in connection with such payment.

Section 2.15 *Notification of Advances, Interest Rates, Prepayments and Commitment Reductions; Availability of Loans.* Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Borrowing Notice and prepayment notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Advance promptly upon determination of such interest rate. Not later than the Applicable Time, on each Borrowing Date, each Lender shall make available its Loan or Loans in funds immediately available to the Administrative Agent's Office. The Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address not later than the Applicable Time, in the case of any Loan denominated in Pounds Sterling on each Borrowing Date.

Section 2.16 *Lending Installations.* Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Each Lender may, by written notice to the Administrative Agent and the Borrower in accordance with Article 13, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

Section 2.17 *Payments Generally; Administrative Agent's Clawback.*

(a) *Funding by Lenders; Presumption by Administrative Agent.* In connection with any borrowing hereunder, the Administrative Agent may assume that each Lender has made its respective share of such borrowing available on such date in accordance with Section 2.15 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Advance available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the Central Bank Rate. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Advance to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Advance. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(b) *Payments by Borrower; Presumptions by Administrative Agent.* Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) *Obligations of Lenders Several.* The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.06(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 9.06(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 9.06(c).

Section 2.18 *Replacement of Lender.* If any Lender requests compensation under Section 3.01 or 3.02, or if any Lender gives notice to the Borrower pursuant to Section 3.07(b), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.05, or if any Lender is a Defaulting Lender or a Declining Lender, or if a Lender fails to consent to an amendment or waiver approved by the Required Lenders as to any matter for which such Lender's consent is needed, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.01), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(a) The Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 12.01(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.01 or payments required to be made pursuant to Section 3.05, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable laws; and

(e) in the case of any such assignment resulting from a failure to consent to an amendment or waiver approved by the Required Lenders, such assignee shall have consented to the relevant amendment or waiver.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.19 *Sharing of Payments by Lenders.* Except as otherwise specified herein, if any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon greater than its Pro Rata Share to which it is entitled pursuant hereto, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; *provided that:*

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section 2.19 shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary (as to which the provisions of this Section 2.19 shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 2.20 *Allocation Between Initial Lenders.* Notwithstanding anything herein to the contrary, until the occurrence of a Successful Syndication, all reductions in Commitments hereunder, and all prepayments of the Loans hereunder, shall be allocated 70% to Barclays Bank PLC and 30% to Citibank, N.A. Following a Successful Syndication, such reductions and prepayments shall be made as otherwise contemplated herein.

Section 2.21 *Defaulting Lenders.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(a) *Waivers and Amendments.* That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 8.02 and the definition of Required Lender.

(b) *Reallocation of Payments.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender under this Agreement or the other Loan Documents (whether voluntary or mandatory, at maturity, pursuant to Section 8.01 or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.01) shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Unmatured Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released in order to satisfy obligations of that Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Unmatured Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied first to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders on a pro rata basis in accordance with their Pro Rata Shares; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.21 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(c) *Certain Fees.* The Defaulting Lender shall not be entitled to receive any Ticking Fee pursuant to Section 2.05(a), Duration Fee pursuant to Section 2.05(b) or any Funding Fee pursuant to Section 2.05(c) for any period during which that Lender is a Defaulting Lender.

(d) *Defaulting Lender Cure.* If the Borrower and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, (x) at the option of the Borrower if such Lender is a Non-Funding Lender and the Closing Date has already occurred (and irrespective of whether the Certain Funds Period has already ended) and without regard to any condition precedent set forth in Article IV, make an Advance to the Borrower in an amount up to, in the Borrower's sole discretion, the amount of any Advance that such Non-Funding Lender should have made but did not make on the Closing Date or (y) purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Shares whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE 3
YIELD PROTECTION; TAXES

Section 3.01 *Yield Protection.* If, on or after the date of this Agreement, any Change in Law:

- (i) imposes, modifies or deems applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
- (ii) subjects any Lender to any Tax of any kind whatsoever (except for Indemnified Taxes or Other Taxes covered by Section 3.05 and Excluded Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or
- (iii) imposes on any Lender any other condition, cost or expense affecting this Agreement or SONIA Loans made by such Lender therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any SONIA Loans (or, in the case of a Change in Law with respect to Taxes, any Loan) or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Lender shall be entitled to seek compensation under this Section 3.01 unless such Lender is generally seeking compensation from other borrowers that are similarly situated to and of similar creditworthiness with respect to its similarly affected commitments or loans under agreements with such borrowers having provisions similar to this Section 3.01.

Section 3.02 *Changes in Capital Adequacy Regulations; Certificates for Reimbursement; Delay in Requests.*

(a) *Changes in Capital Adequacy.* If any Lender determines that any Change in Law after the date of this Agreement affecting such Lender or any Lending Installation of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, such Lender, to a level below that which such Lender or such Lender's or holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender such Lender's holding company for any such reduction suffered. Notwithstanding the foregoing, no Lender shall be entitled to seek compensation under this Section 3.02 unless such Lender is generally seeking compensation from other borrowers that are similarly situated to and of similar creditworthiness with respect to its similarly affected commitments and/or loans under agreements with such borrowers having provisions similar to this Section 3.02.

(b) *Certificates for Reimbursement.* A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section 3.01 or subsection (a) of this Section 3.02 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay to such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(c) *Delay in Requests.* Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.02 or Section 3.01 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 3.02 or Section 3.01 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(d) *Additional Reserve Requirements.* The Borrower shall pay to each Lender, as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans denominated in Pounds Sterling, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least thirty (30) days' prior notice (with a copy to the Administrative Agent) of such additional costs from such Lender. Such Lender shall deliver a certificate to the Borrower setting forth in reasonable detail a calculation of such actual costs incurred by such Lender and shall certify that it is generally charging such costs to similarly situated customers of similar creditworthiness of the applicable Lender under agreements having provisions similar to this Section 3.02(d). If a Lender fails to give notice thirty (30) days prior to the relevant interest payment date, such additional costs shall be due and payable thirty (30) days from receipt of such notice. For the avoidance of doubt, any amounts paid under this Section 3.02(d) shall be without duplication of adjustments in connection with any Conforming Changes.

Section 3.03 [Reserved]

Section 3.04 [Reserved].

Section 3.05 Taxes.

(a) *Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.*

(i) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable laws require the Borrower or the Administrative Agent to withhold or deduct any such Tax, such Tax shall be withheld or deducted in accordance with such laws as determined by the Borrower or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the Borrower or the Administrative Agent shall be required by applicable law to withhold or deduct any Taxes from any payment under any Loan Document, then (A) the Borrower or the Administrative Agent, as applicable, shall withhold or make such deductions as are determined by the Borrower or the Administrative Agent, as applicable, to be required based upon the information and documentation it, or the applicable taxing authority, has received pursuant to subsection (e) below (for the avoidance of doubt, in the case of any such information and documentation received by an applicable taxing authority, solely to the extent the Borrower or the Administrative Agent has been provided with a copy of such information and documentation or otherwise has actual knowledge of such information and documentation and, in each case, is entitled to rely thereon), (B) the Borrower or the Administrative Agent, as applicable, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable law, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.05) the Administrative Agent or any Lender receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) *Payment of Other Taxes.* Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable laws.

(c) *Indemnification.*

(i) Without limiting the provisions of subsection (a) or (b) above, the Borrower shall indemnify the Administrative Agent and each Lender and shall make payment in respect thereof within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 3.05) withheld or deducted by the Borrower or the Administrative Agent or paid by the Administrative Agent or such Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender shall, and does hereby, indemnify (x) the Borrower and the Administrative Agent, and shall make payment in respect thereof within thirty (30) days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the Borrower or the Administrative Agent) incurred by or asserted against the Borrower or the Administrative Agent by any Governmental Authority as a result of (1) the failure by such Lender to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Lender to the Borrower or the Administrative Agent pursuant to subsection (e) or (2) the failure of such Lender to comply with the provisions of Section 12.01(d) relating to the maintenance of a Participant Register and (y) the Administrative Agent against any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of the Borrower to do so) or Excluded Taxes attributable to such Lender, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent or the Borrower shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all other Obligations.

(d) *Evidence of Payments.* Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or the Administrative Agent to a Governmental Authority as provided in this [Section 3.05](#), the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by law to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the -Administrative Agent, as the case may be.

(e) *Status of Lenders; Tax Documentation.*

(i) Each Lender shall deliver to the Borrower, the Administrative Agent or the applicable taxing authority, at the time or times prescribed by applicable laws or when reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information (A) to secure any applicable exemption from, or reduction in the rate of, deduction or withholding imposed by any jurisdiction in respect of any payments to be made by the Borrower to such Lender, and (B) as will permit the Borrower or the Administrative Agent, as the case may be, to determine (1) whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (2) if applicable, the required rate of withholding or deduction, and (3) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender by the Borrower pursuant to this Agreement or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction.

(ii) Without limiting the generality of the foregoing, if the Borrower (or, if the Borrower is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) is a "United States person" within the meaning of Section 7701(a)(30) of the Code,

(A) any Lender (or, if such Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) that is a “United States person” within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent) executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable laws or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements;

(B) each Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) that is entitled under the Code or any applicable treaty to an exemption from or reduction of withholding tax with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) is legally entitled to do so), whichever of the following is applicable:

(1) executed originals of Internal Revenue Service Form W-8BEN or W-BEN-E, as applicable, claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed originals of Internal Revenue Service Form W-8ECI,

(3) in the case of a Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender (or such other Person) is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed originals of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable,

(4) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation, including IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner, or

(5) executed originals of any other form prescribed by applicable laws as a basis for claiming exemption from or a reduction in U.S. federal withholding tax together with such supplementary documentation as may be prescribed by applicable laws to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(C) each Lender shall deliver to the Administrative Agent and the Borrower such documentation reasonably requested by the Administrative Agent or the Borrower sufficient for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine whether payments to such Lender are subject to withholding tax under FATCA. Solely for purposes of this subclause (C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender shall promptly (A) notify the Borrower and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender and as may be reasonably necessary (including the redesignation of its Lending Installation) to avoid any requirement of applicable laws of any jurisdiction that the Borrower or the Administrative Agent make any withholding or deduction for taxes from amounts payable to such Lender.

(f) *Treatment of Certain Refunds.* Unless required by applicable laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If the Administrative Agent or any Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this [Section 3.05](#), it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this [Section 3.05](#) with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Administrative Agent or such Lender, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrower, upon the request of the Administrative Agent or such Lender, as the case may be, agrees to repay the amount paid over to the Borrower (plus any penalties, interest (to the extent accrued from the date such refund is paid over to the Borrower) or other charges imposed by the relevant Governmental Authority), to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

Section 3.06 *Mitigation Obligations.* If any Lender requests compensation under [Section 3.01](#) or [Section 3.02](#), or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to [Section 3.05](#), or if any Lender gives a notice pursuant to [Section 3.07\(b\)](#), then such Lender shall use reasonable efforts to designate a different Lending Installation for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to [Section 3.01](#), [3.02](#) or [3.05](#), as the case may be, in the future, or eliminate the need for the notice pursuant to [Section 3.07\(b\)](#), as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 3.07 *Replacing Other and Future Benchmarks.*

(a) *Circumstances Affecting Benchmark Availability.* Subject to clause (c) below, if the Administrative Agent determines that the Daily Simple SONIA Rate cannot be determined in accordance with the terms of this Agreement or the Required Lenders determine that the Daily Simple SONIA Rate does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans and delivers written notice of such determination to the Administrative Agent, the Administrative Agent will promptly so notify the Borrower and each Lender, and any outstanding Advances will, so long as such circumstances remain in effect, bear interest at the Central Bank Rate *plus* the Applicable Margin; *provided*, in each case, that if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate cannot be determined then, so long as such circumstances remain in effect, the Loans shall bear interest at the Daily Simple SONIA Rate for the most recent SONIA Rate Day for which the Daily Simple Sonia Rate was determinable *plus* the Applicable Margin. Upon any such prepayment, the Borrower shall also pay accrued interest on the amount so prepaid.

(b) Laws Affecting Benchmark Availability. If, after the date hereof, the introduction of, or any change in, any applicable law has made it unlawful or impossible, or any Governmental Authority has asserted that it is unlawful or impossible, for any of the Lenders (or any of their respective Lending Installations) to honor its obligations hereunder to make or maintain any SONIA Loan, or to determine or charge interest based upon the Benchmark, SONIA or the Daily Simple SONIA Rate, such Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrower and the other Lenders (an “**Illegality Notice**”). Thereafter, until each affected Lender notifies the Administrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such determination no longer exist, any obligation of such Lender to make SONIA Loans shall be suspended, and such Loans shall instead be made at the Central Bank Rate *plus* the Applicable Margin. Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from such Lender (with copy to the Administrative Agent), either, at the Borrower’s option, prepay such SONIA Loans or elect to convert all SONIA Loans of such Lender to Loans bearing interest by reference to the Central Bank Rate *plus* the Applicable Margin, either on the Payment Date therefor, if such Lender may lawfully continue SONIA Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such SONIA Loans (and upon such election, such Loans shall be so converted). Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

(c) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) any occurrence of a Benchmark Transition Event, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement and (D) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.07(c)(iv) below. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.07(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.07(c).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the “interest period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the “interest period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

Section 3.08 Survival. All of the Borrower’s obligations under this Article 3 shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE 4
CONDITIONS PRECEDENT

Section 4.01 *Effectiveness.* The occurrence of the Effective Date is subject to the satisfaction (or waiver) of only the following conditions precedent:

(a) the Administrative Agent (or its counsel) shall have received from (I) all Lenders hereunder as of the Effective Date, (II) the Administrative Agent and (III) the Borrower either (i) a counterpart of this Agreement signed on behalf of such party or (ii) customary written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement;

(b) the Borrower shall have paid all fees, costs and expenses due and payable to the Administrative Agent, for itself and on behalf of the Lenders, or its counsel on the Effective Date and (in the case of expenses) for which the Borrower has received an invoice at least three (3) Business Days prior to the Effective Date;

(c) the Borrower shall have provided the documentation and other information about the Borrower to the Administrative Agent that is required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the U.S. Patriot Act and the Beneficial Ownership Regulation, to the extent such information was reasonably requested by the Arrangers or a Lender in writing at least ten (10) Business Days prior to the Effective Date;

(d) the Borrower shall have delivered to the Administrative Agent a customary written opinion (addressed to the Administrative Agent and the Lenders) of Wachtell, Lipton, Rosen & Katz covering customary legal matters for an unsecured bank loan financing of the type contemplated by this Agreement;

(e) the Borrower shall have delivered to the Administrative Agent copies of the certificate of incorporation of the Borrower, together with all amendments thereto, and a certificate of good standing for the Borrower, each certified by the appropriate governmental officer in its jurisdiction of incorporation;

(f) the Borrower shall have delivered to the Administrative Agent copies, certified by the Secretary or Assistant Secretary of the Borrower, of the Borrower’s by-laws and of its Board of Directors’ resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which it is a party and a certification that there have been no changes to its certificate of incorporation provided pursuant to Section 4.01(e);

(g) [reserved];

(h) the Borrower shall have delivered to the Administrative Agent a copy, in substantially final form and in form and substance reasonably satisfactory to Administrative Agent, of the Rule 2.7 Announcement; and

(i) the representations and warranties set forth in Article V shall be true and correct in all material respects (except to the extent such representations and warranties are qualified by “materiality” or “Material Adverse Effect” or similar terms, in which case such representations and warranties are true and correct in all respects) as of the Effective Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all material respects (except to the extent such representations and warranties are qualified with “materiality” or “Material Adverse Effect” or similar terms, in which case such representations and warranties shall have been true and correct in all respects) on and as of such earlier date.

Any written notice from the Administrative Agent to the Borrower of the satisfaction of the foregoing conditions shall be conclusive evidence thereof.

Section 4.02 *Borrowings.* The occurrence of the Closing Date and the obligation of each Lender to make an Advance on the Closing Date or on any Borrowing Date thereafter, is subject to the satisfaction (or waiver) of only the following conditions precedent:

- (a) the Effective Date shall have occurred;
- (b) no Certain Funds Default has occurred and is continuing;
- (c) the Borrower shall have paid all fees due and payable as of such Borrowing Date to the Administrative Agent, for itself and on behalf of the Lenders, pursuant to this Agreement and the Fee Letter (which fees, for the avoidance of doubt, at the option of the Borrower, may be netted against any Advance made on the Closing Date or such Borrowing Date, as applicable);
- (d) the Borrower shall have delivered a Borrowing Notice;
- (e) as to any Lender's obligation to make an Advance on the Closing Date or on any Borrowing Date thereafter, it has not, since the date on which such Lender first became a party hereto, become Illegal for such Lender to make, or to allow to remain outstanding, that Advance; *provided* that such Lender has notified the Borrower promptly upon becoming aware of the relevant issue, and provided further that such Illegality alone will not excuse any other Lender from participating in the relevant Advance and will not in any way affect the obligations of another Lender; and
- (f) on the Closing Date, the Borrower shall have delivered to the Administrative Agent an officer's certificate, substantially in the form attached hereto as Exhibit G, dated as of the Closing Date, signed by an Authorized Officer of the Borrower, certifying that on the Closing Date,
 - (i) In the case of a Scheme:
 - (A) the Scheme Effective Date has occurred; and
 - (B) the Catalonia Acquisition shall have been, or substantially concurrently with the occurrence of the Closing Date shall be, consummated in all material respects in accordance with the terms of the Relevant Rule 2.7 Announcement, after giving effect to any modifications, amendments, consents or waivers thereof or thereto, and to any other changes, other than those modifications, amendments, consents or waivers or changes that are materially adverse to the interests of the Lenders that are effected without the prior written consent of the Joint Lead Arrangers, *provided* that no consent of the Joint Lead Arrangers shall be required (a) if any such modification, amendment, consent or waiver shall have been required by any applicable Law (including, without limitation, the Companies Act of 2006 or the Takeover Rules), the Takeover Panel, any applicable stock exchange, any applicable government or other regulatory authority, or a court of competent jurisdiction (including, without limitation, the Court), (b) to any waiver of a condition to the Scheme where such waiver does not relate to a condition which the Borrower reasonably considers that it would be entitled in accordance with Rule 13.5(a) of the Takeover Code, to invoke so as to cause the Scheme not to proceed, to lapse or to be withdrawn, (c) to any increase or decrease in the equity consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition, (d) to any increase or decrease of the cash consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition by an amount of less than 10% of the total consideration to be paid or payable by the Borrower in connection with the Catalonia Acquisition or (e) to any increase of the cash consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition by an amount of more than 10% of the total consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition; provided that such excess above 10% is funded by way of the proceeds of one or more equity issuances by the Borrower; or

(ii) In the case of an Offer:

(A) the Offer Effective Date has occurred; and

(B) the purchase by or on behalf of the Borrower of more than 50% of the Catalonia Shares shall have been, or substantially concurrently with the occurrence of the Closing Date shall be, consummated in all material respects in accordance with the terms of the Relevant Rule 2.7 Announcement, after giving effect to any modifications, amendments, consents or waivers thereof or thereto, or other changes, other than those modifications, amendments, consents or waivers or changes that are materially adverse to the interests of the Lenders that are effected without the prior written consent of the Joint Lead Arrangers, *provided* that no consent of the Joint Lead Arrangers shall be required (a) if any such modification, amendment, consent or waiver shall have been required by any applicable Law (including, without limitation, the Companies Act of 2006 or the Takeover Rules (including, for the avoidance of doubt, Rule 13.5(a) of the Takeover Code)), the Takeover Panel, any applicable stock exchange, any applicable government or other regulatory authority, or a court of competent jurisdiction (including, without limitation, the Court), (b) to any waiver of a condition to the Scheme where such waiver does not relate to a condition which the Borrower reasonably considers that it would be entitled in accordance with Rule 13.5(a) of the Takeover Code, to invoke so as to cause the Scheme not to proceed, to lapse or to be withdrawn, (c) to any increase or decrease in the equity consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition, (d) to any increase or decrease of the cash consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition by an amount of less than 10% of the total consideration to be paid or payable by the Borrower in connection with the Catalonia Acquisition or (e) to any increase of the cash consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition by an amount of more than 10% of the total consideration payable or to be paid by the Borrower in connection with the Catalonia Acquisition; provided that such excess above 10% is funded by way of the proceeds of one or more equity issuances by the Borrower.

Section 4.03 *Availability.* During the Certain Funds Period, and notwithstanding (i) that any representation made on the Effective Date was incorrect, (ii) any failure by the Borrower to comply with the affirmative covenants, negative covenants and financial covenant (excluding, for the avoidance of doubt, the Certain Funds Covenant for the purposes of Section 4.02(b)), (iii) any provision to the contrary in any Loan Document or otherwise or (iv) that any condition to the occurrence of the Effective Date may subsequently be determined not to have been satisfied, neither the Administrative Agent nor any Lender shall be entitled to (1) cancel any of its Commitments under the Credit Facility, (2) take any action or exercise any right to rescind, terminate or cancel any Loan Document or exercise any right or remedy or make or enforce any claim under the Loan Documents, related notes, related fee letter or otherwise it may have to the extent to do so would directly or indirectly prevent, limit or delay the making of its Advance, (3) refuse to participate in making its Advance; *provided* that the applicable conditions precedent to the making of the Advance set forth in Section 4.02 have been satisfied, (4) take any steps to seek any repayment or prepayment of any Advance made hereunder in any way to the extent to do so would prevent or limit the making of an Advance during the Certain Funds Period or (5) exercise any right of set-off or counterclaim in respect of its Advance to the extent to do so would prevent, limit or delay the making of its Advance. Notwithstanding anything to the contrary herein, (A) the rights and remedies of the Lenders and the Administrative Agent in respect of the making of an Advance on a Borrowing Date shall not be limited in the event that any applicable condition precedent set forth in Section 4.02 is not satisfied on such Borrowing Date and (B) immediately after the expiration of the Certain Funds Period, all of the rights, remedies and entitlements of the Administrative Agent and the Lenders shall be available notwithstanding that such rights were not available prior to such time as a result of the foregoing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as follows to each Lender and the Agents as of the Effective Date, the Closing Date and each subsequent Borrowing Date (it being understood that the conditions to the Effective Date, the Closing Date and each Borrowing Date are solely those set out in Sections 4.01 and 4.02, as applicable):

Section 5.01 *Existence and Standing.* The Borrower (a) is a corporation, partnership, limited liability company or other entity duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and (b) has all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except to the extent that the failure to have such authority would not reasonably be expected to have a Material Adverse Effect.

Section 5.02 *Authorization and Validity.* The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper proceedings, and the Loan Documents constitute legal, valid and binding obligations of the Borrower enforceable against it in accordance with their terms, except as may be limited by bankruptcy, insolvency or similar laws relating to or affecting creditors' rights generally and by general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 5.03 *No Conflict; Government Consent.*

(a) Neither the execution and delivery by the Borrower of the Loan Documents, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower, (ii) the Borrower's bylaws or certificate of incorporation, or (iii) the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its Property, is bound, except in the case of clauses (i) and (iii) where such violation would not reasonably be expected to have a Material Adverse Effect.

(b) No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower, is required to be obtained by the Borrower in connection with the execution and delivery of the Loan Documents, the borrowings under the Loan Documents, the payment and performance by the Borrower of its Obligations or the legality, validity, binding effect or enforceability of the Loan Documents.

Section 5.04 *Financial Statements.* The audited consolidated financial statements of the Borrower for the fiscal year ended December 31, 2021 heretofore delivered to the Arrangers and the Lenders, copies of which are included in the Borrower's Annual Report on Form 10-K as filed with the SEC (a) were prepared in accordance with GAAP (except as otherwise expressly noted therein), (b) fairly present in all material respects the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations and cash flows for the period then ended (subject, in the case of unaudited quarterly reports, to the absence of footnotes and to normal year-end audit adjustments) and (c) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof that are required under Agreement Accounting Principles to be reflected thereon.

Section 5.05 *Material Adverse Effect.* As of the Effective Date, except as disclosed in the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 as filed with the SEC or any Current Report on Form 8-K filed by the Borrower with the SEC after the date of such Form 10-K and on or prior to the Effective Date (excluding any disclosures set forth in any risk factor section and in any section relating to forward-looking or safe harbor statements), since December 31, 2021, there has been no material adverse effect on the financial condition, results of operations, business or Property of the Borrower and its Subsidiaries taken as a whole.

Section 5.06 *Solvency.* (i) The Borrower and its Subsidiaries on a consolidated basis are able to pay their debts and other liabilities, contingent obligations and other commitments as they mature in their ordinary course; (ii) the Borrower and its Subsidiaries do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay as such debts and liabilities mature in their ordinary course; (iii) the Borrower and its Subsidiaries on a consolidated basis are not engaged in a business or a transaction, and are not about to engage in a business or a transaction, for which their property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which they are engaged; (iv) the fair value of the property and assets of the Borrower and its Subsidiaries on a consolidated basis is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of the Borrower and its Subsidiaries on a consolidated basis; and (v) the present fair salable value of the property and assets of the Borrower and its Subsidiaries on a consolidated basis is not less than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a consolidated basis on their debts as they become absolute and matured. In computing the amount of contingent liabilities for purposes of this Section 5.06, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing as of the date hereof, represents the amount that can reasonably be expected to become an actual or matured liability, and all in accordance with GAAP.

Section 5.07 *Litigation.* As of the Effective Date, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which has not been disclosed in the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 as filed with the SEC or any Current Report on Form 8-K filed by the Borrower with the SEC after the date of such Form 10-K and on or prior to the Effective Date (a) that would reasonably be expected to have a Material Adverse Effect or (b) which seeks to prevent, enjoin or delay the making of any Loan or otherwise calls into question the validity of any Loan Document and as to which there is a reasonable possibility of an adverse decision.

Section 5.08 *Disclosure.* All written information (to the knowledge of the Borrower with respect to Catalonia and its subsidiaries) other than financial projections and other forward-looking information and information of a general economic or industry nature (as used in this [Section 5.08](#), the “[Information](#)”) provided on or prior to the Effective Date by the Borrower or on behalf of the Borrower by its representatives to the Agents or the Lenders in connection with the negotiation and syndication of and entry into this Agreement does not, when taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, when taken as a whole, not materially misleading when taken as a whole and in light of the circumstances under which such statements were made (giving effect to any supplements then or theretofore furnished).

Section 5.09 *Regulation U.* The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate of buying or carrying margin stock (within the meaning of Regulation U or Regulation X); and after applying the proceeds of each Advance, margin stock (as defined in Regulation U) constitutes not more than twenty-five percent (25%) of the value of those assets of the Borrower which are subject to any limitation on sale or pledge, or any other restriction hereunder.

Section 5.10 *Investment Company Act.* The Borrower is not an “investment company”, a company “controlled by” an “investment company” or a company required to register as an “investment company,” each as defined in the Investment Company Act of 1940, as amended.

Section 5.11 *OFAC, FCPA.* Neither the Borrower nor any of its Subsidiaries, nor, to the knowledge of the Borrower, any director or officer thereof, is an individual or entity that is (a) the subject or target of any Sanctions or in violation of applicable Anti-Corruption Laws, (b) included on OFAC’s List of Specially Designated Nationals, HMT’s Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by the United States federal government (including, without limitation, OFAC), the European Union or Her Majesty’s Treasury or (c) located, organized or resident in a Designated Jurisdiction.

Section 5.12 *Taxes.* Each of Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which reserves have been provided in accordance with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

Section 5.13 *Affected Financial Institution.* The Borrower is not an Affected Financial Institution.

ARTICLE 6 COVENANTS

From Effective Date (with respect to the Certain Funds Covenant and the covenants set forth in [Sections 6.04](#), [6.05](#), [6.09](#), [6.10](#), [6.11](#) and [6.13](#) only) and otherwise from the Closing Date (after the making of any Advance made to the Borrower on such date), so long as any Lender shall have any Commitment hereunder, or any Loan or other Obligation hereunder (other than any contingent indemnification obligations for which no claim has been made) shall remain unpaid or unsatisfied:

Section 6.01 *Financial Reporting.* The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Administrative Agent for the Administrative Agent's distribution to the Lenders:

(a) As soon as available, but in any event on or prior to the 90th day after the close of each of its fiscal years (commencing with the first fiscal year of the Borrower ending after the Closing Date), a consolidated balance sheet as of the end of such period, related statements of operations, comprehensive income (loss), changes in equity and cash flows prepared in accordance with GAAP on a consolidated basis for itself and its Subsidiaries, together with an audit report certified by independent certified public accountants of recognized standing, whose opinion shall not be qualified as to the scope of the audit or as to the status of the Borrower and its consolidated Subsidiaries as a going concern.

(b) As soon as available, but in any event on or prior to the 45th day after the close of the first three quarterly periods of each of its fiscal years (commencing with the first such fiscal quarter of the Borrower ending after the Closing Date), for itself and its Subsidiaries, a consolidated (or, at the Borrower's option and to the extent filed (or to be filed) with the SEC in its quarterly report on Form 10-Q, condensed consolidated) unaudited balance sheet as at the close of each such period and consolidated unaudited statements of operations, comprehensive income (loss) and cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer, chief accounting officer or treasurer.

(c) Together with the financial statements required under Sections 6.01(a) and (b), a compliance certificate in substantially the form of Exhibit A signed by its chief financial officer, chief accounting officer or treasurer showing the calculations necessary to determine compliance with the financial covenant set forth in Section 6.12 and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof, it being understood and agreed that in the event the Borrower delivers a notice to the Administrative Agent pursuant to the proviso to the definition of "Agreement Accounting Principles", "Capitalized Leases" and/or "Capitalized Lease Obligations", the Borrower shall deliver an additional calculation of compliance with the financial covenant set forth in Section 6.12 demonstrating that notwithstanding GAAP in effect at such time, the Borrower has complied with Section 6.12 under GAAP (i) as in effect and applied immediately before such change in GAAP (in the case of such a notice under "Agreement Accounting Principles") or (ii) as it relates to operating leases, as in effect on January 31, 2018 (in the case of such a notice under "Capitalized Leases" or "Capitalized Lease Obligations"), which shall satisfy the Borrower's obligation to furnish a calculation of compliance in this Section 6.01(c); *provided* that in no event shall the Borrower be required to furnish the Administrative Agent with more than one version of financial statements pursuant to Section 6.01(a) or Section 6.01(b) prepared in accordance with different versions of GAAP as a result of any such notice.

(d) Promptly upon the filing thereof, copies of all registration statements or other regular reports not otherwise provided pursuant to this Section 6.01 which the Borrower or any of its Subsidiaries files with the SEC.

(e) Such other information with respect to the business, condition or operations, financial or otherwise, and Properties of the Borrower and its Subsidiaries as the Administrative Agent, including at the request of any Lender, may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a), (b) or (d) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website or such other website with respect to which the Borrower may from time to time notify the Administrative Agent and to which the Lenders have access; or (ii) on which such documents are posted on the Borrower's behalf by the Administrative Agent on DebtDomain, SyndTrak or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent) or filed electronically through EDGAR and available on the Internet at www.sec.gov. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on DebtDomain, SyndTrak or another similar electronic system (the "**Platform**") and (b) certain of the Lenders (each a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (*provided, however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 9.10); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform that is not designated "Public Side Information."

Section 6.02 *Use of Proceeds.* The Borrower will, and will cause each of its Subsidiaries to, use the proceeds of the Advances to finance the Transactions. The Borrower shall use the proceeds of the Advances in compliance with all applicable legal and regulatory requirements and any such use shall not result in a violation of any such requirements, including, without limitation, Regulation U and Regulation X, the Securities Act of 1933 and the Securities Exchange Act of 1934 and the regulations promulgated thereunder.

Section 6.03 *Notice of Default.* The Borrower will give prompt notice in writing to the Lenders of the occurrence of any Default or Unmatured Default.

Section 6.04 *Conduct of Business.* The Borrower will, and will cause each of its Subsidiaries to, except as otherwise permitted by Section 6.09, do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a corporation, partnership, limited liability company or other entity in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except in each case (other than valid existence of the Borrower) where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 6.05 *Compliance with Laws.* The Borrower will, and will cause each of its Major Subsidiaries to, comply in all material respects with all applicable laws, rules, regulations and orders (such compliance to include, without limitation, compliance with ERISA and Environmental Laws and paying before the same become delinquent all Taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith), except to the extent such noncompliance would not have a Material Adverse Effect.

Section 6.06 *Inspection; Keeping of Books and Records.* Subject to applicable law and third party confidentiality agreements entered into by the Borrower or any Subsidiary in the ordinary course of business, the Borrower will, and will cause each Subsidiary to, permit the Administrative Agent, during the continuance of a Default or Unmatured Default, by its representatives and agents, to inspect any of the Property, books and financial records of the Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with their respective officers at such reasonable times and intervals as the Administrative Agent may designate but in all events upon reasonable prior notice to the Borrower. The Borrower shall keep and maintain, and cause each of its Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with GAAP shall be made of all dealings and transactions in relation to their respective businesses and activities.

Section 6.07 *OFAC, FCPA.* The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 6.08 *Maintenance of Material Property and Insurance.* The Borrower will, and will cause each of the Major Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and (b) maintain, with reputable insurance companies, insurance, or maintain a self-insurance program, in such amounts and against such risks as are in accordance with normal industry practice, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 6.09 *Merger.*

(a) The Borrower will not (x) merge into or consolidate with any other Person, (y) effect a Disposition to any other Person (other than the Borrower or its Subsidiaries) or (z) liquidate or dissolve, unless (i) the Person formed by such consolidation or into which the Borrower is merged or to whom such Disposition is made shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume pursuant to an instrument executed and delivered to the Administrative Agent, and in form and substance reasonably satisfactory to the Administrative Agent, the Borrower's obligations for the due and punctual payment of the Obligations and the performance of every covenant of this Agreement on the part of the Borrower to be performed; and (ii) immediately after giving effect to such transaction, no Default or Unmatured Default shall have occurred and be continuing.

(b) Upon any consolidation by the Borrower with, merger by the Borrower into or Disposition by the Borrower to any other Person (other than the Borrower or its Subsidiaries), the successor Person formed by such consolidation, into which the Borrower is merged or to whom such Disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Borrower under this Agreement with the same effect as if such successor Person had been named as the Borrower herein.

(c) For the avoidance of doubt, the only merger or consolidation as to which Section 6.09(a)(x) shall apply shall be a merger or consolidation in which the Borrower is not the surviving Person.

Section 6.10 *Non-Guarantor Subsidiary Indebtedness.* The Borrower will not permit any Major Subsidiary which is not a Guarantor to create, incur, assume or suffer to exist any Specified Indebtedness for Borrowed Money, except:

(a) Specified Indebtedness for Borrowed Money pursuant to any Loan Document.

(b) (i) Specified Indebtedness for Borrowed Money existing on the Effective Date and, to the extent any such Specified Indebtedness for Borrowed Money exceeds \$25,000,000 in principal amount, set forth on Schedule 6.10 and (ii) any Permitted Refinancing of any Specified Indebtedness for Borrowed Money specified in clause (i).

(c) Specified Indebtedness for Borrowed Money owed to the Borrower or any other Subsidiary.

(d) (i) Specified Indebtedness for Borrowed Money of a Person existing at the time such Person is acquired by or merged into or consolidated with the Borrower or any Subsidiary, at the time such Person (including, for the avoidance of doubt, Catalonia and its Subsidiaries) first becomes a Subsidiary or at the time of a sale, lease or other disposition of all or substantially all of the Properties or assets of a Person to the Borrower or any Subsidiary; provided, that, such Specified Indebtedness for Borrowed Money was not incurred in anticipation of such acquisition, consolidation, sale, lease or other disposition; and (ii) any Permitted Refinancing of any Specified Indebtedness for Borrowed Money specified in clause (i).

(e) (i) other Specified Indebtedness for Borrowed Money; provided, that at the time of creation, incurrence or assumption of any such Specified Indebtedness for Borrowed Money, the sum (without duplication) of (A) the aggregate outstanding principal amount of Specified Indebtedness for Borrowed Money created, incurred or assumed pursuant to this clause (e) and (B) the aggregate outstanding principal amount of Indebtedness for Borrowed Money that is secured by a Lien pursuant to Section 6.11(i), does not exceed 10% of Consolidated Assets at such time and (ii) any Permitted Refinancing of any Specified Indebtedness for Borrowed Money specified in clause (i).

(f) (i) Specified Indebtedness for Borrowed Money incurred to finance the payment of all or any part of the cost of acquisition, construction, development or improvement of any fixed or capital assets; provided, that, the commitment of the creditor to provide such Indebtedness for Borrowed Money shall have been obtained not later than 12 months after the completion of the acquisition, construction, development or improvement of such assets; and (ii) any Permitted Refinancing of any Specified Indebtedness for Borrowed Money specified in clause (i).

(g) guarantees of any Specified Indebtedness for Borrowed Money of any non-Guarantor Subsidiary that is otherwise permitted under this Section 6.10.

Section 6.11 *Liens*. The Borrower will not, and will not permit any Major Subsidiary to, create or suffer to exist any Lien in or on any of its Property, in each case to secure or provide for the payment of any Indebtedness for Borrowed Money, except:

(a) precautionary Liens provided by the Borrower or any Major Subsidiary in connection with the sale, assignment, transfer or other disposition of assets by the Borrower or any Major Subsidiary which transaction is determined by the Board of Directors of the Borrower or such Major Subsidiary to constitute a “sale” under accounting principles generally accepted in the United States.

(b) Liens existing on the Closing Date securing Indebtedness for Borrowed Money.

(c) usual and customary deposits in favor of lessors and similar deposits in the ordinary course of business.

(d) Liens existing on Property of any Person acquired by the Borrower or any Major Subsidiary (which may include Property previously leased by the Borrower or any of its Subsidiaries and leasehold interests on such Property, provided that the lease terminates prior to or upon the acquisition), other than any such Lien or security interest created in contemplation of such acquisition (and the replacement, extension or renewal thereof upon or in the same Property).

(e) Liens on Property of a Person existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary, at the time such Person (including, for the avoidance of doubt, Catalonia and its Subsidiaries) first becomes a Subsidiary or at the time of a sale, lease or other disposition of all or substantially all of the Properties or assets of a Person to the Borrower or any Subsidiary; *provided* that such Lien was not incurred in anticipation of the merger, consolidation, sale, lease or other disposition.

(f) Liens in favor of the Borrower or any of its Subsidiaries.

(g) Liens on fixed or capital assets (including real property) to secure the payment of all or any part of the cost of acquisition, construction, development or improvement of such assets, or to secure Indebtedness for Borrowed Money incurred to provide funds for any such purpose; provided, that, (i) the commitment of the creditor to extend the credit secured by any such Lien shall have been obtained not later than 12 months after the completion of the acquisition, construction, development or improvement of such assets, (ii) at the time of creation thereof, the aggregate outstanding principal amount of any such Indebtedness for Borrowed Money secured by such Lien does not exceed the greater of (x) \$200,000,000 and (y) 3% of Consolidated Assets at such time, and (iii) such Lien shall not apply to any other Property of the Borrower or any Subsidiary, except for accessions and improvements to such fixed or capital assets covered by such Lien and the proceeds and products thereof.

(h) Liens on cash and securities (and deposit and securities accounts) securing reimbursement obligations in respect of letters of credit and banker's acceptances issued for the account of the Borrower or any of its Subsidiaries in the ordinary course of business.

(i) Liens securing Indebtedness for Borrowed Money; provided, that, at the time of incurrence of any such Indebtedness for Borrowed Money, the sum (without duplication) of (A) the aggregate outstanding principal amount of Indebtedness for Borrowed Money secured pursuant to this clause (i) and (B) the aggregate outstanding principal amount of Specified Indebtedness for Borrowed Money created, incurred or assumed pursuant to Section 6.10(e), does not exceed 10% of Consolidated Assets at such time.

(j) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens (or Indebtedness for Borrowed Money secured by Liens) referred to in clauses (a) through (i) and (k), inclusive, provided that such extension, renewal or replacement Lien shall be limited to all or a part of the same Property that secured the Lien extended, renewed or replaced (plus improvements on and accessions to such Property), and (ii) the Indebtedness for Borrowed Money secured by such Lien at such time is not increased (other than by an amount equal to any related financing costs (including, but not limited to, the accrued interest and premium, if any, on the Indebtedness for Borrowed Money being refinanced)).

(k) Liens created in substitution of any Liens permitted by clauses (a) through (j), inclusive, provided that, (i) based on a good faith determination of a senior officer of the Borrower, the property encumbered by such substitute or replacement Lien is substantially similar in nature to the property encumbered by the otherwise permitted Lien that is being replaced, and (ii) the Indebtedness for Borrowed Money secured by such Lien at such time is not increased (other than by an amount equal to any related financing costs (including, but not limited to, the accrued interest and premium, if any, on the Indebtedness for Borrowed Money being refinanced)).

If a Subsidiary incurs a Lien in or on any of its Property to secure or provide for the payment of any Indebtedness for Borrowed Money at the time that it is not a Major Subsidiary, the incurrence and existence of such Lien shall not be prohibited or restricted by, and shall not reduce availability under any clause of, this Section 6.11 upon such Subsidiary subsequently becoming a Major Subsidiary unless such Lien was incurred in contemplation of such Subsidiary becoming a Major Subsidiary.

Section 6.12 *Financial Covenant.*

(a) As of the last day of each fiscal quarter of the Borrower commencing on the last day of the first full fiscal quarter ending after the Closing Date, the Consolidated Leverage Ratio shall not be greater than 3.50:1.00; *provided* that at the election of the Borrower, exercised by written notice delivered by the Borrower to the Administrative Agent at any time prior to the date that is thirty (30) days following consummation of any Material Acquisition (including, at the election of the Borrower, the Catalonia Acquisition) by the Borrower or any Subsidiary, such maximum Consolidated Leverage Ratio shall be increased to 4.25 to 1.00; *provided, further*, that such increase (x) shall not be effective prior to the consummation of such Material Acquisition, (y) shall only apply for a period of four full fiscal quarters after the consummation of such Material Acquisition and (z) the Consolidated Leverage Ratio of the Borrower shall not exceed 3.50 to 1.00 for more than five consecutive fiscal quarters.

(b) At any time after the definitive agreement for any Material Acquisition shall have been executed (or, in the case of a Material Acquisition in the form of a tender offer or similar transaction, after the offer shall have been launched) and prior to the consummation of such Material Acquisition (or termination of the definitive documentation in respect thereof (or such later date as such indebtedness ceases to constitute Acquisition Debt as set forth in the definition of "Acquisition Debt")), any Acquisition Debt (and the proceeds of such Acquisition Debt), including this Credit Facility and any other Acquisition Debt incurred in connection with the Catalonia Acquisition, shall be excluded from the definition of Consolidated Leverage Ratio.

Section 6.13 *OFAC, FCPA.* Neither the Borrower nor any of its Subsidiaries will directly, or to the Borrower's knowledge, indirectly, use the proceeds of any Advance (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject or target of Sanctions in each case of this clause (b) in violation of applicable Sanctions or (c) in any other manner that will result in a violation of Sanctions applicable to any party hereto.

Section 6.14 *Conduct of Scheme and/or Offer.*

(a) In its pursuit of the consummation of the Catalonia Acquisition, the Borrower shall comply at all times from the date hereof until the date of the consummation of the Catalonia Acquisition in all material respects with the Takeover Code (subject to any waiver or dispensation of any kind granted by the Takeover Panel).

(b) From the date hereof until the date of the consummation of the Catalonia Acquisition, the Borrower shall not take any steps in its pursuit of the consummation of the Catalonia Acquisition as a result of which the Borrower or any of its Subsidiaries is obliged to make a mandatory offer with respect to Catalonia under Rule 9 of the Takeover Code.

ARTICLE 7
DEFAULTS

The occurrence of any one or more of the following events following the Effective Date shall constitute a Default:

Section 7.01 *Breach of Representations or Warranties.* Any representation or warranty made by the Borrower to the Lenders or the Administrative Agent under this Agreement, or any certificate or information delivered in connection with this Agreement, shall be false in any material respect when made or deemed made.

Section 7.02 *Failure to Make Payments When Due.* Nonpayment of (a) principal of any Loan when due, or (b) interest upon any Loan, any Ticking Fee or other payment Obligations under any of the Loan Documents within five (5) Business Days after such interest, fee or other Obligation becomes due.

Section 7.03 *Breach of Covenants.* The breach by the Borrower of (a) any of the terms or provisions of Section 6.03, 6.09, 6.10, 6.11, 6.12 or 6.14 or (b) any of the other terms or provisions of this Agreement which is not remedied within thirty (30) days after the Borrower knows of the occurrence thereof.

Section 7.04 *Cross Default.*

(a) The Borrower or any Major Subsidiary shall fail to pay any principal of or premium or interest on any Indebtedness for Borrowed Money which is outstanding in a principal amount of at least the Requisite Amount in the aggregate (but excluding indebtedness arising hereunder) of the Borrower or such Major Subsidiary (as the case may be) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness for Borrowed Money unless adequate provision for any such payment has been made in form and substance satisfactory to the Required Lenders.

(b) Any Indebtedness for Borrowed Money of the Borrower or any Major Subsidiary which is outstanding in a principal amount of at least the Requisite Amount in the aggregate shall be declared to be due and payable, or required to be prepaid (other than by a scheduled required prepayment), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Indebtedness for Borrowed Money shall be required to be made, in each case prior to the stated maturity thereof as a result of a breach by the Borrower or such Major Subsidiary (as the case may be) of the agreement or instrument relating to such Indebtedness for Borrowed Money and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness for Borrowed Money unless adequate provision for the payment of such Indebtedness for Borrowed Money has been made in form and substance satisfactory to the Required Lenders.

(c) The Borrower or any of its Major Subsidiaries shall admit in writing its inability to pay its debts generally as they become due.

Section 7.05 *Voluntary Bankruptcy; Appointment of Receiver; Etc.* The Borrower or any of its Major Subsidiaries shall (a) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (b) make an assignment for the benefit of creditors, (c) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (d) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (e) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.05, or (f) fail to contest in good faith any appointment or proceeding described in Section 7.06.

Section 7.06 *Involuntary Bankruptcy; Appointment of Receiver; Etc.* Without the application, approval or consent of the Borrower or any of its Major Subsidiaries, a receiver, trustee, custodian, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Major Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 7.05(d) shall be instituted against the Borrower or any of its Major Subsidiaries, and such appointment continues undischarged, or such proceeding continues undismissed or unstayed, in each case, for a period of sixty (60) consecutive days.

Section 7.07 *Judgments.* The Borrower or any of its Major Subsidiaries shall fail within sixty (60) days to pay, bond or otherwise discharge one or more judgments or orders for the payment of money (except to the extent covered by independent third party insurance and as to which the insurer has not disclaimed coverage) in excess of the Requisite Amount in the aggregate, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith.

Section 7.08 *Unfunded Liabilities.* (i) The aggregate Unfunded Liabilities of all Plans would reasonably be expected to result in a Material Adverse Effect pursuant to clause (a) of the definition thereof; (ii) the present value of the unfunded liabilities to provide the accrued benefits under all Foreign Pension Plans in the aggregate would reasonably be expected to result in a Material Adverse Effect pursuant to clause (a) of the definition thereof; or (iii) any Reportable Event shall occur in connection with any Plan and such Reportable Event would reasonably be expected to result in a Material Adverse Effect pursuant to clause (a) of the definition thereof.

Section 7.09 *Change of Control.* A Change of Control shall have occurred.

Section 7.10 *Other ERISA Liabilities.* The Borrower, any Subsidiary, or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that it has incurred withdrawal liability or become obligated to make contributions to a Multiemployer Plan in an amount which, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Borrower, any Subsidiary, or any other member of the Controlled Group as withdrawal liability or contributions (determined as of the date of such notification), would reasonably be expected to result in a Material Adverse Effect pursuant to clause (a) of the definition thereof.

Section 7.11 *Invalidity of Loan Documents.* (i) Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement), ceases to be in full force and effect; or the Borrower contests in any manner the validity or enforceability of any Loan Document; or (ii) the Borrower denies that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document, in each case of this clause (ii), for any reason other than as expressly permitted hereunder or thereunder.

Notwithstanding anything in this Agreement to the contrary, for a period commencing on the Closing Date and ending on the date falling 120 days after the Closing Date (the “**Clean-up Date**”), notwithstanding any other provision of any Loan Document, any breach of covenants, misrepresentations or other Unmatured Default which arises with respect to Catalonia or its Subsidiaries will not be deemed a breach of a covenant, misrepresentation or an Unmatured Default or Default (other than, with respect to Certain Funds Defaults, for the purpose of Section 4.02(b)), as the case may be, if:

- (a) it is capable of remedy and reasonable steps are being taken to remedy it;
- (b) the circumstances giving rise to it have not knowingly been procured or approved by the Borrower; and
- (c) it does not have a material adverse effect on the financial condition or the consolidated results of operations of the Borrower and its Subsidiaries (including Catalonia and its Subsidiaries) taken as a whole, such that the Borrower and its Subsidiaries (including Catalonia and its Subsidiaries) taken as a whole would be unable to perform the payment obligations under this Agreement.

If the relevant circumstances are continuing on or after the Clean-Up Date and such circumstances would otherwise constitute a breach of covenant, misrepresentation or Unmatured Default or Default, there shall be a breach of covenant, misrepresentation or Unmatured Default or Default, as the case may be, on account of such circumstance, notwithstanding this paragraph.

ARTICLE 8
ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

Section 8.01 *Acceleration, Etc.* If any Default described in Section 7.05 or 7.06 (but prior to the expiration of the Certain Funds Period, solely with respect to a Certain Funds Default) occurs, the obligations of the Lenders to make Loans hereunder shall automatically terminate and the Obligations of the Borrower shall immediately become due and payable without any election or action on the part of the Administrative Agent or any Lender. If any other Default occurs (but prior to the expiration of the Certain Funds Period, solely with respect to a Certain Funds Default), the Required Lenders (or the Administrative Agent with the consent of the Required Lenders) may terminate or suspend (in whole or in part) the obligations of the Lenders to make Loans hereunder and declare the Obligations of the Borrower to be due and payable (in whole or in part), whereupon such Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives. Promptly upon any acceleration of the Obligations, the Administrative Agent will provide the Borrower with notice of such acceleration.

If, within thirty (30) days after acceleration of the maturity of the Obligations of the Borrower or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in Section 7.05 or 7.06) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

Section 8.02 *Amendments.* Subject to the provisions of this Article 8 and Section 3.07 and except as otherwise expressly set forth herein, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into (with notice to the Administrative Agent, if the Administrative Agent is not acting with the consent in writing of the Required Lenders) agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or thereunder or waiving any Default hereunder or thereunder; *provided, however*, that no such supplemental agreement shall:

- (a) Extend the final maturity of any Loan of any Lender or forgive all or any portion of the principal amount thereof payable to any Lender, or reduce the rate, reduce the amount or extend the scheduled time of payment of interest or fees thereon (other than a waiver of the application of the default rate of interest pursuant to Section 2.11 hereof) payable to any Lender, without the consent of each Lender affected thereby.
- (b) Reduce the percentage specified in the definition of Required Lenders or any other percentage of Lenders specified to be the applicable percentage in this Agreement to act on specified matters or amend Section 2.19 or the definition of “Pro Rata Share”, without the consent of all Lenders affected thereby.
- (c) Extend the Facility Termination Date as it applies to any Lender or otherwise extend the term or increase the amount of the Commitment of any Lender hereunder without the consent of each Lender affected thereby.
- (d) Permit the Borrower to assign its rights or obligations under this Agreement except as provided in Section 6.09 without the consent of all Lenders.
- (e) Amend this Section 8.02 without the consent of all Lenders.
- (f) Amend Section 2.20 or the definition of “Initial Lenders” without the consent of the Initial Lenders.

Notwithstanding the foregoing, (x) no amendment of any provision of this Agreement relating to any Agent shall be effective without the written consent of such Agent; (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document and (z) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency (including, without limitation, amendments, supplements or waivers to any of documents executed by the Borrower or any Subsidiary in connection with this Agreement if such amendment, supplement or waiver is delivered in order to cause such related documents to be consistent with this Agreement and the other Loan Documents).

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (it being specifically understood and agreed that any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (A) the Commitment of such Lender may not be increased without the consent of such Lender and (B) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Section 8.03 *Preservation of Rights.* No delay or omission of the Lenders or Agents to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan notwithstanding the existence of a Default or Unmatured Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by, or by the Administrative Agent with the consent of, the requisite number of Lenders required pursuant to Section 8.02, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Agents and the Lenders until all of the Obligations have been paid in full.

ARTICLE 9
GENERAL PROVISIONS

Section 9.01 *Survival of Representations.* All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender regardless of any investigation made by the Administrative Agent and any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Advance, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder (other than any contingent indemnification obligations for which no claim has been made) shall remain unpaid or unsatisfied.

Section 9.02 *Governmental Regulation.* Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation; provided that, in the event of any limitation or prohibition on any Lender's ability to extend credit to the Borrower, (x) any such Lender shall use commercially reasonable efforts to make its extensions of credit through an Affiliate or alternate lending office of such Lender not subject to the respective legal restriction, solely to the extent that such designation of an Affiliate or alternate lending office will not, in the good faith judgment of such Lender, otherwise be disadvantageous to, or otherwise increase the costs of, such Lender and (y) the occurrence of such event with respect any such Lender shall not relieve any other Lender of its obligations to extend credit under this Agreement.

Section 9.03 *Headings.* Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

Section 9.04 *Entire Agreement.* The Loan Documents, together with the Fee Letter, embody the entire agreement and understanding among the Borrower, the Agents, the Lenders party thereto and supersede all prior agreements and understandings among the Borrower, the Agents and the Lenders, as applicable, relating to the subject matter thereof.

Section 9.05 *Several Obligations; Benefits of this Agreement.* The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Agents are authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 12.01(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement; provided, however, that the parties hereto expressly agree that each Arranger shall enjoy the benefits of the provisions of Sections 9.06, 9.09 and 10.07 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

Section 9.06 *Expenses; Indemnification.*

(a) *Costs and Expenses.* The Borrower shall reimburse from time to time on demand (i) all reasonable and documented out-of-pocket fees and expenses incurred by, without duplication, the Administrative Agent, the Arrangers and their respective Affiliates (in the case of fees, disbursements and other charges of counsel, limited to the reasonable and documented fees, disbursements and other charges of one counsel to the Administrative Agent and the Arrangers and the Lenders (taken together) and, if reasonably necessary, of one local counsel in any relevant jurisdiction) incurred in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and the Lenders (in the case of fees, disbursements and charges of counsel, limited to the reasonable and documented fees, disbursements and other charges of one counsel to such parties, taken together (and, if reasonably necessary, of one local counsel in any relevant jurisdiction and, solely in the case of an actual or potential conflict of interest, of one additional counsel (and, if reasonably necessary, one additional local counsel in any relevant jurisdiction) for all affected parties, taken together)) in connection with the enforcement or protection of their rights (A) in connection with this Agreement and the other Loan Documents, including their rights under this Section 9.06, or (B) in connection with the Loans made hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) *Indemnification by the Borrower.* The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Arranger, each Lender and each of their respective Affiliates, controlling Persons, successors and assigns and their respective officers, directors, employees, agents and advisors (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from (and will reimburse each Indemnitee as the same are incurred for), any and all losses, claims, damages, liabilities and expenses (in the case of fees, disbursements and charges of counsel, limited to the reasonable and documented fees, disbursements and other charges of one counsel to all Indemnitees, taken together (and, if reasonably necessary, of one local counsel in any relevant jurisdiction and, solely in the case of an actual or potential conflict of interest, of one additional counsel (and, if reasonably necessary, one additional local counsel in any relevant jurisdiction) for all affected Indemnitees, taken together)) that may be incurred by or awarded against any Indemnitee, in each case arising out of or in connection with (i) the Credit Facility, (ii) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.05), (iii) any Loan or the use or proposed use of the proceeds, (iv) any actual or alleged presence or release of Hazardous Materials on, at, to or from any property currently or formerly owned, leased or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the bad faith, gross negligence or willful misconduct of such Indemnitee or its Subject Related Parties, (y) a material breach by such Indemnitee or any of its Subject Related Parties of such Indemnitee’s obligations hereunder or under any other Loan Document or (z) a dispute solely among two or more Indemnitees not arising from any act or omission of the Borrower or its Subsidiaries hereunder (other than claims against an Indemnitee in its capacity or as a result of fulfilling its role as an Agent, Arranger or similar role under any of the Loan Documents). This Section 9.06(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. In the case of an investigation, litigation or proceeding to which the indemnity in this Section 9.06(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its equityholders or creditors or any other third party or an Indemnitee, whether or not an Indemnitee is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated.

(c) *Reimbursement by Lenders.* To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) of this Section 9.06 or the Borrower for any reason fails to indefeasibly pay or cause to be paid any amount required under subsection (b) of this Section 9.06, in each case, to be paid to the Administrative Agent (or any sub-agent thereof), any Arranger or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Arranger or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Arranger in its capacity as such or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such Arranger in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.17(c).

(d) *Waiver of Consequential Damages, Limitation of Liability.* To the fullest extent permitted by applicable law, each party hereto agrees that it shall not assert, and hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof (it being agreed that the Borrower's indemnity and contribution obligations set forth in this Section 9.06 shall apply in respect of any special, indirect, consequential or punitive damages that may be awarded against any Indemnitee in connection with a claim by a third party unaffiliated with the Indemnitee). None of the Administrative Agent (and any sub-agent thereof), each Arranger, each Lender and each of their respective Affiliates, controlling Persons, successors and assigns and their respective officers, directors, employees, agents and advisors (each such Person being called a "**Protected Party**") shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Protected Party through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence, bad faith or willful misconduct of such Protected Party or its Subject Related Parties or a material breach of such Protected Party's or its Subject Related Parties' obligations hereunder or under any other Loan Document, in each case, as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) *Payments.* All amounts due under this Section 9.06 shall be payable not later than ten (10) Business Days after written demand therefor.

(f) *Survival.* The agreements in this Section 9.06 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitment and the repayment, satisfaction or discharge of all the other Obligations.

Section 9.07 *Accounting.* Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with the Agreement Accounting Principles.

Section 9.08 *Severability of Provisions.* Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable. Without limiting the foregoing provisions of this Section 9.08, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 9.09 *Nonliability of Lenders.* The relationship between the Borrower on the one hand and the Lenders and the Agents on the other hand shall be solely that of borrower and lender. None of the Agents, the Arrangers or any Lender shall have any fiduciary responsibilities to the Borrower. None of the Agents, the Arrangers or any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

Section 9.10 *Confidentiality.* Each of the Administrative Agent, each other Agent and the Lenders agrees to use all Information received by them solely for the purposes of providing the services that are the subject of this Agreement and to maintain the confidentiality of the Information, except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, trustees, advisors and agents (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority), in which case such Administrative Agent, other Agent or Lender, as applicable, agrees to the extent reasonably practicable and not prohibited by applicable law, rule, regulation or order, to inform the Borrower promptly of the disclosure thereof, (c) to the extent required by applicable laws, rules or regulations or by any subpoena or order or similar legal process (in which case such Administrative Agent, other Agent or Lender, as applicable, agrees to the extent not prohibited by applicable law, rule, regulation or order, to inform the Borrower promptly of the disclosure thereof), (d) in connection with performing the services set forth herein and consummating the transactions contemplated hereby, to any prospective Lender or participant subject to the such prospective Lender or participant agreeing to confidentiality arrangements (for the benefit of the Borrower) no less favorable to the Borrower than those set forth in this Section 9.10, (e) to potential counterparties to any swap or derivative transaction, subject to the confidentiality agreements in favor of the Borrower no less favorable to the Borrower than this paragraph, (f) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (g) with the prior written consent of the Borrower, (h) in connection with obtaining CUSIP numbers, (i) as and to the extent set forth in Section 12.02, (j) to the extent such Information (x) is or becomes publicly available other than as a result of a breach of this Section 9.10 or (y) becomes available to such Administrative Agent, other Agent or Lender, as applicable, from a source other than the Borrower (or the Borrower's representatives) that is not, such Person's knowledge, subject to confidentiality or fiduciary obligations owing to the Borrower or any of the Borrower's Subsidiaries, (k) to any other party hereto and (l) to any rating agency on a confidential basis in connection with rating the Borrower or the credit facility evidenced by this Agreement. Notwithstanding the foregoing, the Administrative Agent shall not be required to provide notice of any Lender by any governmental agency or examiner or regulatory body with jurisdiction over any Lender.

In addition, on a confidential basis, the Administrative Agent and each Lender may disclose the existence and terms of this Agreement (including, without limitation, the Aggregate Commitment, the nature of the facility as a bridge credit facility, the use of proceeds provisions herein and the principal amount outstanding at a given time), and the identity of the parties hereto (including titles and participants) to market data collectors, similar services providers to the lending industry, and service providers to the Administrative Agent and the Lenders in connection with the administration and management of this Agreement and the other Loan Documents.

For purposes of this Section 9.10, “**Information**” means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses in connection with the transactions contemplated hereby.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower, Catalonia or their Subsidiaries, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable law, including United States Federal and state securities laws.

Section 9.11 *Nonreliance*. Each of the Lenders hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for herein.

Section 9.12 *Disclosure*. The Borrower and each Lender hereby acknowledge and agree that the Administrative Agent, Arrangers and/or their respective Affiliates and certain of the other Lenders and/or their respective Affiliates from time to time may hold investments in, make other loans to or have other relationships with the Borrower and its Affiliates.

ARTICLE 10 THE ADMINISTRATIVE AGENT

Section 10.01 *Appointment and Authority*. Each of the Lenders hereby irrevocably appoints Barclays Bank PLC to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article 10 (other than Section 10.06 below) are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions (other than as provided in Section 10.06 below). It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 10.02 *Rights as a Lender.* The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.03 *Reliance by Administrative Agent.* The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in good faith in accordance with the advice of any such counsel, accountants or experts.

Section 10.04 *Exculpatory Provisions.* The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in [Article 8](#)) or (ii) in the absence of (A) its and its Subject Related Parties' gross negligence or willful misconduct as determined by a court of competent jurisdiction by a final and non-appealable judgment and (B) material breach by the Administrative Agent and its Subject Related Parties of the Administrative Agent's obligations pursuant to the terms of the Loan Documents as determined by a court of competent jurisdiction by a final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower or a Lender.

Neither the Administrative Agent nor any of its Related Parties shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in [Article 4](#) or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this [Article 10](#) shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct (or breached its material obligations under the Loan Documents) in the selection of such sub-agents.

Section 10.06 *Resignation of Administrative Agent.*

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to, so long as no Default has occurred and is continuing, the consent of the Borrower (such consent not to be unreasonably withheld or delayed), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (such date, or the date, if earlier, upon which a successor is appointed, the “**Resignation Effective Date**”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above, subject to, so long as no Default has occurred and is continuing, the consent of the Borrower (such consent not to be unreasonably withheld or delayed). Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, subject to, so long as no Default has occurred and is continuing, the consent of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days (or such earlier day as shall be agreed by the Required Lenders) (the “**Removal Effective Date**”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired or removed) Administrative Agent (other than as provided in Section 3.08 and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article 10 and Section 9.06 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any agency capacity hereunder or under the other Loan Documents, including in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

Section 10.07 *Non-Reliance on Administrative Agent and Other Lenders.* Each of the Lenders acknowledges that it has, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of the Lenders also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.08 *No Other Duties, Etc.* Anything herein to the contrary notwithstanding, none of the Arrangers or other Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 10.09 *Administrative Agent May File Proofs of Claim.* In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.09, 3.07(b) and 9.06) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09, 3.07(b) and 9.06.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 10.10 ERISA. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of subsections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or a Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, any Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 10.11 *Erroneous Payments.*

(a) If the Administrative Agent notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, but for the avoidance of doubt excluding the Borrower and its Subsidiaries, a “**Payment Recipient**”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in Same Day Funds, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in Same Day Funds at the greater of the Central Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender hereby further agrees that if it or a Payment Recipient on its behalf receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or other such Payment Recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other Payment Recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of obtaining knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.11(b).

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent from any Payment Recipient for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Administrative Agent’s notice to such Lender at any time, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency.

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any of its Subsidiaries, except, in each case, solely to the extent such Erroneous Payment is comprised of funds received by the Administrative Agent from the Borrower or any of its Subsidiaries for the purpose of making any payment hereunder that became subject to such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 10.11 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE 11
SETOFF

Section 11.01 *Setoff*. In addition to, and without limitation of, any rights of the Lenders under applicable law, if any Default occurs, subject to Section 4.03, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender or any Affiliate of any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations of the Borrower then owing to such Lender to the extent the Obligations shall then be due; *provided*, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff.

ARTICLE 12
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

Section 12.01 *Successors and Assigns.*

(a) *Successors and Assigns Generally.* The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void).

(b) *Assignments by Lenders.* Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$25,000,000 unless each of the Administrative Agent and, so long as no Default under Section 7.02, 7.05 or 7.06 has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); *provided, however*, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) (i) prior to the expiration of the Certain Funds Period, the prior written consent of the Borrower (in its sole discretion) shall be required; and (ii) after the expiration of the Certain Funds Period, the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless, in respect of this clause (ii) only, such assignment is to a Lender or an Affiliate of a Lender or a Default under Section 7.02, Section 7.05 or Section 7.06 has occurred and is continuing; provided that no assignment shall result in any Lender, together with its Affiliates, holding more than 30% of the Aggregate Commitments at any time without the prior written consent of the Borrower (excluding, for the avoidance of doubt, the Initial Lenders); and

(B) the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

(v) No Assignment to Borrower. No such assignment shall be made to the Borrower or any of its Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) No Assignment to Defaulting Lenders. No such assignment shall be made to a Defaulting Lender.

(viii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the Pro Rata Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full Pro Rata Share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.05, 3.07(b) and 9.06 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) *Register*. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from the Administrative Agent a copy of the Register.

(d) *Participations.* Any Lender may at any time, without the prior written consent of the Borrower or Administrative Agent, sell participations to any Person (other than a natural person, Defaulting Lender or the Borrower or any of its Affiliates or Subsidiaries) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans); *provided* that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the proviso to Section 8.02 that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 3.01, 3.05 or 3.07(b) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.01 as though it were a Lender, *provided* that such Participant agrees to be subject to Section 2.19 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a nonfiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other Obligations under the Loan Documents (the “**Participant Register**”); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Loans or its other Obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other Obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) *Limitations upon Participant Rights.* A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.05 or 3.07(b) than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant shall not be entitled to the benefits of Section 3.05 unless such Participant agrees to comply with Section 3.05 as though it were a Lender (it being understood that the documentation required under Section 3.05(e) shall be delivered to the Lender who sells the participation).

(f) *Certain Pledges.* Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority having jurisdiction over such Lender; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 12.02 *Dissemination of Information.* The Borrower authorizes each of the Lenders to disclose to any Participant and any prospective Participant any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries, including without limitation any information contained in any reports or other information delivered by the Borrower pursuant to Section 6.01; *provided* that each Participant and prospective Participant agrees to be bound by Section 9.10 of this Agreement or other provisions at least as restrictive as Section 9.10 including making the acknowledgments set forth therein (in each case for the benefit of the Borrower).

Section 12.03 *Tax Treatment.* If any interest in any Loan Document is transferred to any Participant which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Participant, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.05(e).

ARTICLE 13

NOTICES

Section 13.01 *Notices; Effectiveness; Electronic Communication.*

(a) *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or the Administrative Agent, to the address, telecopier number, electronic mail address or telephone number set forth on Schedule 13.01; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its administrative questionnaire. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) *Electronic Communications.* Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent or as otherwise determined by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines, *provided* that such determination or approval may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *The Platform.* THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of, or breach of its material obligations under any Loan Document by, such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) *Change of Address, Etc.* Each of the Borrower and the Administrative Agent may change its address, telecopier or telephone number for notices and other communications hereunder by written notice to the other parties hereto. Each Lender may change its address, telecopier or telephone number for notices and other communications hereunder by written notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Borrower Materials that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) *Reliance by Administrative Agent and Lenders.* The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Borrower so long as such notices appear on their face to be authentic even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

ARTICLE 14

COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION

Section 14.01 *Counterparts; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in [Article 4](#), this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or email shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 14.02 *Electronic Execution.* The words “delivery”, “execute,” “execution,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Borrowing Notices, waivers and consents) (each, a “**Communication**”) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. For the avoidance of doubt, the authorization under this Section 14.02 may include, without limitation, use or acceptance by the Borrower, the Administrative Agent and each of the Lenders of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Borrower, the Administrative Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“**Electronic Copy**”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Borrower without further verification and (b) upon the reasonable request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, “**Electronic Record**” and “**Electronic Signature**” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

ARTICLE 15

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

Section 15.01 *Choice of Law.* THE LOAN DOCUMENTS AND OBLIGATIONS OF THE PARTIES THEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER THEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

Section 15.02 *Consent to Jurisdiction.* EACH OF THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY SUBMITS TO JURISDICTION OF ANY FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN THE BOROUGH OF MANHATTAN OR, IF THAT COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, OF ANY STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENTS OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BROUGHT BY THE BORROWER, DIRECTLY OR INDIRECTLY, IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN ANY FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN THE BOROUGH OF MANHATTAN OR, IF THAT COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, IN ANY STATE COURT LOCATED IN THE CITY AND COUNTY OF NEW YORK.

EACH OF THE BORROWER, THE AGENTS AND THE LENDERS HEREBY AGREES FURTHER THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PERSON AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 13.01 AND AGREES THAT SUCH SERVICE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PERSON IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENTS OR LENDERS TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 15.03 *Waiver of Jury Trial.* EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 15.04 *U.S. Patriot Act and Beneficial Ownership Regulation Notice.* Each Lender that is subject to the U.S. Patriot Act and the Beneficial Ownership Regulation and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the U.S. Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name, address and tax forms of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the U.S. Patriot Act and Beneficial Ownership Regulation. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S. Patriot Act and Beneficial Ownership Regulation.

Section 15.05 *No Advisory or Fiduciary Responsibility.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent, the Arrangers and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent nor the Arrangers nor any of the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor the Arrangers nor any of the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby agrees and covenants that it will not make any claims that it may have against the Administrative Agent, the Arrangers and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 15.06 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the “**Judgment Currency**”) other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the “**Agreement Currency**”), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable law).

Section 15.07 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

ARTICLE 16
GUARANTEE

Section 16.01 *Guarantors*(i). Any time after the Effective Date, the Borrower may cause any Subsidiary of the Borrower to guarantee the Obligations of the Borrower under the Loan Documents by delivering to the Administrative Agent customary joinder documentation reasonably acceptable to the Administrative Agent, and pursuant to which such Person shall become a “Guarantor” for all purposes under this Agreement and each other Loan Document and shall be bound by all of the obligations of and shall have all of the rights of a “Guarantor” under this Agreement and each other Loan Document including, without limitation, providing the guarantee of the Guaranteed Obligations as set forth in this Article 16.

Section 16.02 *Guarantee*(i). Upon becoming a Guarantor pursuant to Section 16.01, each Guarantor, on a joint and several basis, unconditionally guarantees (the undertaking of each Guarantor contained in this Article 16 being a “**Guarantee**”) the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of the Borrower now or hereafter existing under the Loan Documents, whether for principal, interest, fees, expenses or otherwise (such obligations, collectively, being the “**Guaranteed Obligations**”). Each Guarantee is a guaranty of payment and not of collection. Upon becoming a Guarantor pursuant to Section 16.01 each Guarantor agrees that, as between each Guarantor and the Administrative Agent, the Guaranteed Obligations may be declared to be due and payable for purposes of its Guarantee notwithstanding any stay (including any stay imposed by the commencement by or against the Borrower of any proceeding under any Debtor Relief Laws naming the Borrower as the debtor in such proceeding), injunction or other prohibition which may prevent, delay or vitiate any declaration as regards the Borrower and that in the event of a declaration or attempted declaration, the Guaranteed Obligations shall immediately become due and payable by the Guarantors for purposes of its Guarantee. Anything contained herein to the contrary notwithstanding, the obligations of each Guarantor hereunder at any time shall, without further action by any Guarantor or any other Person, be automatically limited and reduced to an aggregate amount equal to the largest amount that would not render such Guarantor’s obligations hereunder invalid and unenforceable or otherwise subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the U.S. Bankruptcy Code or any comparable provisions of any similar federal or state law (including the Uniform Fraudulent Conveyance Act and the Uniform Fraudulent Transfer Act) or subordinated to the claims of other creditors as determined in such proceeding.

Section 16.03 *Guaranty Absolute.* Upon becoming a Guarantor pursuant to Section 16.01, each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of this Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent or the Lenders with respect thereto. The liability of each Guarantor under its Guarantee shall be absolute and unconditional irrespective of:

- (a) any lack of validity, enforceability or genuineness of any provision of any Loan Document, any Guaranteed Obligations or any other agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from this Agreement;
- (c) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (d) any law or regulation of any jurisdiction or any other event affecting any term of a Guaranteed Obligation; or
- (e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Guarantor or the Borrower.

Each Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

Section 16.04 *Waivers(i).*

- (a) Upon becoming a Guarantor pursuant to Section 16.01, each Guarantor waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and its Guarantee and any requirement that the Administrative Agent or any Lender protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against the Borrower or any other Person or any collateral.

(b) Upon becoming a Guarantor pursuant to Section 16.01, each Guarantor irrevocably waives any claims or other rights that it may now or hereafter acquire against the Borrower that arise from the existence, payment, performance or enforcement of the obligations of any Guarantor under its Guarantee, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Administrative Agent or any Lender against the Borrower or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Borrower, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right. If any amount shall be paid to any Guarantor in violation of the preceding sentence at any time prior to the later of the payment in full of the Guaranteed Obligations and all other amounts payable under such Guarantor's Guarantee and the Facility Termination Date, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent to be credited and applied to the Guaranteed Obligations and all other amounts payable under such Guarantor's Guarantee, whether matured or unmatured, in accordance with the terms of this Agreement and such Guarantor's Guarantee, or to be held as collateral for any Guaranteed Obligations or other amounts payable under the Guarantee thereafter arising. Upon becoming a Guarantor pursuant to Section 16.01, each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Agreement and its Guarantee and that the waiver set forth in this Section 16.04(b) is knowingly made in contemplation of such benefits.

Section 16.05 Continuing Guaranty(i). Each Guarantee is a continuing guaranty and shall (i) remain in full force and effect until payment in full of the Guaranteed Obligations (including any and all Guaranteed Obligations which remain outstanding after the Facility Termination Date) and all other amounts payable under its Guarantee, (ii) be binding upon each Guarantor and its successors and assigns, and (iii) inure to the benefit of and be enforceable by the Lenders, the Administrative Agent and their respective successors, transferees and assigns.

Section 16.06 Release of Guarantors(i).

(a) If (i) in compliance with the terms and provisions of this Agreement, any Guarantor ceases to constitute a Subsidiary of the Borrower or (ii) after giving effect to the release of any Guarantor, there is no Default under this Agreement, then such Guarantor shall, in the discretion of the Borrower upon notice in writing to the Administrative Agent, automatically be released from its obligations under this Agreement or any other Loan Document, including the Guarantee set forth in this Article 16, and thereafter such Person shall no longer constitute a Guarantor under this Agreement or any other Loan Documents.

(b) At the request of the Borrower, the Administrative Agent shall, at the Borrower's expense, execute such documents as are reasonably necessary to acknowledge any such release in accordance with this Section 16.06, so long as the Borrower shall have provided the Administrative Agent a certificate, signed by an Authorized Officer of the Borrower, certifying as to satisfaction of one of the requirements set forth in clause (a) above.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GXO LOGISTICS, INC.

/s/ Baris Oran

Name: Baris Oran

Title: Chief Financial Officer

[Signature Page to Credit Agreement]

ADMINISTRATIVE AGENT:

BARCLAYS BANK PLC

as the Administrative Agent, Arranger and a Lender

By: /s/ Sam Yoo

Name: Sam Yoo

Title: Managing Director

[Signature Page to Credit Agreement]

CITIBANK, N.A.,
as a Lender, Syndication Agent and Arranger

By: /s/ Richard Rivera
Name: Richard Rivera
Title: Vice President

[Signature Page to Credit Agreement]

**PRICING SCHEDULE
TO BRIDGE TERM LOAN CREDIT AGREEMENT**

APPLICABLE MARGIN

Public Debt Rating	<u>Pricing Level I</u> ≥ A- and A-	<u>Pricing Level II</u> BBB+ and BBB+	<u>Pricing Level III</u> BBB and BBB	<u>Pricing Level IV</u> BBB- and BBB-	<u>Pricing Level V</u> ≤ BB+ and BB+
Applicable Margin (from and including the Closing Date to but excluding the three-month anniversary of the Closing Date)	0.875%	1.000%	1.125%	1.250%	1.750%
Applicable Margin (from and including the three-month anniversary of the Closing Date to but excluding the six-month anniversary of the Closing Date)	1.125%	1.250%	1.375%	1.500%	2.000%
Applicable Margin (from and including the six-month anniversary of the Closing Date to but excluding the nine-month anniversary of the Closing Date)	1.375%	1.500%	1.625%	1.750%	2.250%
Applicable Margin (from and after the nine-month anniversary of the Closing Date)	1.625%	1.750%	1.875%	2.000%	2.500%

For the purpose of the foregoing charts, (a) if only one of S&P and Fitch shall have in effect a Public Debt Rating, the Applicable Margin shall be determined by reference to the available Public Debt Rating; (b) if neither S&P nor Fitch shall have in effect a Public Debt Rating, the Applicable Margin shall be set in accordance with Pricing Level V until such time as either S&P or Fitch shall have in effect a Public Debt Rating; (c) if the Public Debt Ratings established by S&P and Fitch shall fall within different levels, the Applicable Margin shall be based upon the higher of such Public Debt Ratings, except that in the event that the lower of such Public Debt Ratings is more than one level below the higher of such Public Debt Ratings, the Applicable Margin shall be based upon the level immediately below the higher of such Public Debt Ratings; (d) if any Public Debt Rating established by either S&P or Fitch shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (e) if either S&P or Fitch shall change the basis on which Public Debt Ratings are established, each reference to the Public Debt Ratings announced by S&P or Fitch, as the case may be, shall refer to the then equivalent rating by S&P or Fitch, as the case may be.

COMMITMENT SCHEDULE

COMMITMENTS AND PRO RATA SHARES

Lender	Commitment	Pro Rata Share of Aggregate Commitment
Barclays Bank PLC	£ 484,250,000	65.0000%
Citibank, N.A.	£ 260,750,000	35.0000%
TOTAL	£ 745,000,000	100.0000%

Schedule 6.10

EXISTING SPECIFIED INDEBTEDNESS FOR BORROWED MONEY

None.

Schedule 13.01

CERTAIN ADDRESSES FOR NOTICES

1. Address of the Borrower:

GXO Logistics, Inc.
Two American Lane
Greenwich, CT 06831
Attention: Baris Oran

2. Address for the Administrative Agent:

Barclays Bank PLC

Address: 745 Seventh Avenue
New York, NY 10019

Attention: Ismael Tigua

Email: ismael.tiguajr@barclays.com; 12145455230@tls.ldsprod.com

Escalation Contact: Sarah Wright

Email: sarah.e.wright@barclays.com

Tel: 1 (302) 286-2217
