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Clare San Martin
John Thompson & Partners LLP
23-25 Great Sutton Street
London
EC1V 0DN

Our Ref: AH/rm

1 February 2017

Dear Clare

South Gillingham Urban Extension

Further to our discussions, I write to confirm the agreed basis for the engagement between Welbeck Strategic Land LLP (the "**Client**") and John Thompson & Partners LLP (the "**Consultant**"), in respect of Land at South Gillingham (the "**Project**").

The Terms and Conditions applicable to the engagement are attached to this letter.

The agreed fee is set out in Schedule 1 attached to the Terms and Conditions of Engagement. The fee is to be paid in accordance with clause 3 of the Terms and Conditions.

Any additional fees in connection with this project will also be appended to Schedule 1 and paid in accordance with the Terms and Conditions of Engagement.

You are to maintain professional indemnity insurance in an amount of not less than £1 million in accordance with clause 4 of the Terms and Conditions of engagement.

I trust that this fully sets out the agreed basis for your engagement and would be grateful if you would sign the enclosed copy of this letter on behalf of John Thompson & Partners LLP confirming your acceptance to these Terms and Conditions.

Yours sincerely

Andrew Hodgson
Welbeck Strategic Management LLP
For and on behalf of Welbeck Strategic Land LLP
Encs.

We accept the Terms and Conditions of the engagement as described in this letter and enclosures.



Signed for and on behalf of John Thompson & Partners LLP

CLARE SAN MARTIN

Name of person signing for and on
behalf of John Thompson & Partners LLP (printed)

TERMS AND CONDITIONS OF ENGAGEMENT OF CONSULTANTS

DEFINITIONS

In these Terms and Conditions, unless the context otherwise requires, the following words bear the following meanings:

"Client" means the person identified as the Client in the Letter;

"Consultant" means the person identified as the Consultant in the Letter;

"Fee" means the consideration for the Services identified in the Letter;

"Letter" means the covering Letter accompanying these Terms and Conditions;

"Project" means the project identified in the Letter;

"Services" means the services relating to the Project to be carried out by the Consultant identified in the Letter, as amended from time to time in accordance with these Terms and Conditions; and

"Terms and Conditions" means the terms and conditions set out below and other documents or parts of other documents expressly referred to in them.

1. ENGAGEMENT AND PROVISION OF SERVICES

- 1.1 The Client confirms the engagement of the Consultant and the Consultant confirms its agreement to act in relation to the Project on these Terms and Conditions.
- 1.2 The Consultant shall carry out the Services and the obligations of the Consultant in accordance with these Terms and Conditions and all reasonable written instructions of the Client.
- 1.3 The Client may by written instruction to the Consultant amend the Services whether by omission, addition or alteration.

2. STANDARD OF CARE

- 2.1 The Consultant warrants that it shall exercise in the performance of the Services the reasonable skill, care and diligence to be expected of professionally qualified and competent members of the Consultant's profession experienced in carrying out work of a similar size, scope, nature, complexity and purpose to the Project.
- 2.2 The Consultant warrants that it shall exercise the reasonable skill, care and diligence required by clause 2.1 to carry out the Services in accordance with all applicable legislation.

3. THE FEE AND TERMS OF PAYMENT

- 3.1 The Client agrees to pay to the Consultant as full remuneration for the Services the fee set out in the Letter.
- 3.2 Subject to clause 9, the Consultant shall submit tax invoices (showing amounts and supported by such documents, vouchers and receipts as shall be necessary for checking the same) to the Client

when any amounts are due to the Consultant in respect of the Services, but not more frequently than the instalments specified in the Letter.

- 3.3 The due date for payment will be the date when the Client receives the relevant tax invoice (the "Due Date").
- 3.4 Within 5 days of the Due Date the Client will give the Consultant a notice specifying the sum that the Client considers to be due at the Due Date and the basis on which that sum was calculated.
- 3.5 In the event that the Client fails to provide the Consultant with a notice as specified in clause 3.4 above, the Client shall accept the sum specified within the Consultant's invoice in accordance with clause 3.2 as the sum due.
- 3.6 The final date for payment shall be 30 days from the Due Date.
- 3.7 The Client shall pay to the Consultant the total amount of Value Added Tax properly chargeable by the Consultant on the supply to the Client of the Services.
- 3.8 The Client may issue a 'pay less notice' pursuant to Section 111 of the Housing Grants, Construction and Regeneration Act 1996 (as amended by Part 8 of the Local Democracy, Economic Development and Construction Act 2009) no later than 1 day before the final date for payment specified in clause 3.6.
- 3.9 The Fee shall be adjusted in the event of any amendment to the Services pursuant to clause 1.3 in accordance with any provisions for adjustment set out in the Letter, otherwise on a fair and reasonable basis taking account of the amount and make-up of the Fee prior to amendment.
- 3.10 The Fee shall be inclusive of all expenses and disbursements; exclusive of VAT which shall be added at the prevailing rate; and exclusive of any statutory and local authority fees (which shall be the responsibility of the Client).

4. PROFESSIONAL INDEMNITY COVER

Without prejudice to the Consultant's other obligations and liabilities, the Consultant shall maintain professional indemnity cover with reputable insurers based in the UK without any unusually onerous conditions and with a limit of indemnity of not less than the level stated in the Letter for each and every claim but in the annual aggregate in respect of pollution or contamination claims, and asbestos claims, for a period from the commencement of its obligations hereunder to the expiry of a period of six years from the date of practical completion of the Project or earlier abandonment thereof or earlier termination of the Consultant's engagement provided that such insurance remains available at commercially reasonable rates. The insurance shall cover claims arising out of the performance of the Services.

5. DUTY OF CARE TO THIRD PARTIES

The rights set out in the Third Party Rights Schedule (set out in Schedule 2) shall vest in a:

- (a) landowner from time to time of the whole or any part of the Project or

- (b) first purchaser of the of the whole or any part of the Project and any second purchaser (being a party purchasing the whole or any part of the Project from the first purchaser); or
- (c) first tenant of the of the whole or any part of the Project and any second tenant (being a party leasing the whole or any part of the Project from the first purchaser); or
- (d) (to the extent they are not so entitled pursuant to limb (b) above), any affordable housing provider with an interest in the whole or any part of the Project;

on the date of receipt by the Consultant of the Client's notice to that effect, stating the name of the landowner, purchaser, tenant or affordable housing provider and his interest in the Project.

6. **SUBLETTING**

The Consultant shall not be entitled to sublet the performance of the Services without the prior written consent of the Client. If the Client does consent to any subletting the Consultant shall remain responsible for the performance of the sublet Services.

7. **ASSIGNMENT**

The Client may without the consent of the Consultant, assign its benefit and rights under these Terms and Conditions and the Letter:

- (a) to any group company of the Client (meaning a subsidiary of the Client, a holding company of the Client or a subsidiary of a holding company of the Client); and /or
- (b) as security to any person having or acquiring a mortgage or charge over the Project or any part of it (and such rights may be reassigned on redemption); and/or
- (c) by way of absolute legal assignment to another company ("P1") and by P1 by way of absolute legal assignment to another person ("P2")

Thereafter any assignment shall only be permitted with the consent of the Consultant.

The Client shall provide written notice to the Consultant following any assignment.

8. **COPYRIGHT**

Copyright in all documents prepared by or for the Consultant in connection with the Project and in any designs depicted in and works executed from these documents shall, unless otherwise agreed, remain the property of the Consultant but the Consultant hereby grants to the Client a non-exclusive, irrevocable, royalty free, transferable licence to copy, use and publish such documents (including copies thereof) and the right to grant sub-licences in respect of the same for any purpose connected with the Project. Such licence shall enable the Client to copy and use the Documents for the extension of the Project but such use shall not include a licence to reproduce the designs contained therein for any extension of the Project. The Consultant shall not be liable for any misuse of the documents by the Client.

9. **TERMINATION**

- 9.1 The Client may, in addition to any other rights and remedies it may have, terminate the Consultant's engagement upon giving seven days' written notice.
- 9.2 If the Client terminates the Consultant's engagement because it has not carried out its obligations, it shall not be obliged to make any further payments to the Consultant, whether or not any payments have been invoiced, and the Client reserves its right to recover from the Consultant any loss or damage which it incurs as a result of any default.
- 9.3 If the Client terminates the Consultant's engagement for any reason other than the default of the Consultant, then it shall pay to the Consultant a fair and reasonable amount for the Services carried out up to the date of termination but nothing more.

10. **APPROVALS**

No consent, approval or act or omission of the Client shall of itself relieve the Consultant of its obligations.

11. **CONFIDENTIALITY**

- 11.1 Subject to clause 11.2, the Consultant shall not disclose any confidential information of which it has or may in the course of its engagement become possessed relating to the Client, customers of the Client and/or the Project.
- 11.2 The restrictions contained in clause 11.1 shall not apply to any disclosure made:
- (a) to the Consultant's professional advisers; or
 - (b) to the Consultant's and/or Client's insurers and/or insurance brokers.

12. **NOTICES**

Any notice to be given hereunder shall be in writing and shall be deemed to be duly given if it is delivered by hand at or sent by registered post or fax to the addresses of the parties identified in the Letter or other business addresses for the time being. In the case of notices sent by registered post the same shall be deemed to have been received two working days after being posted.

13. **HEADINGS**

Headings to clauses are for convenience only and do not affect the interpretation of these Terms and Conditions.

14. **LAW**

These Terms and Conditions and all matters relating thereto shall be governed by and construed in accordance with the laws of England and Wales and the parties submit to the non-exclusive jurisdiction of the courts of England and Wales.

15. SCOPE OF AGREEMENT

These Terms and Conditions shall constitute the entire agreement between the parties in respect of the Project.

16. ADJUDICATION

- 16.1 Any dispute shall be referred to adjudication in accordance with this clause. No party shall take any steps in any proceedings or arbitration beyond the issue of a claim form or the giving of a notice of arbitration until an adjudicator has delivered his decision on the dispute to all the parties.
- 16.2 The referring party shall request the President of the Royal Institution of Chartered Surveyors or his representative to nominate an adjudicator.
- 16.3 The provisions of Part I of the Schedule to the Scheme for Construction Contracts (England and Wales) Regulations 1998 (SI 1998/649), as amended by the Scheme for Construction Contracts (England and Wales) Regulations 1998 (Amendment) (England) Regulations 2011 (SI 2011/2333) (as further amended from time to time) shall apply subject to the provisions of this clause 16.

17. LIMITATION OF LIABILITY

- 17.1 Notwithstanding anything to the contrary in these Terms and Conditions, the liability of the Consultant under or in connection with the Terms and Conditions whether in contract or in tort, for breach of the statutory duty or otherwise (other than in respect of personal injury or death or fraud or fraudulent misrepresentation) shall not exceed in the sum of £1,000,000 for each and every claim.
- 17.2 No action or proceedings for any breach of these Terms and Conditions shall be commenced against the Consultant after the expiry of 6 (six) years from the date of completion of Services or the termination of the Services if earlier.

18. THIRD PARTY RIGHTS

- 18.1 Save for the rights of landowners, purchasers or tenants as take effect pursuant to clause 5, no person may enforce any of these Terms and Conditions and/or the provisions set out in the Letter by virtue of the Contracts (Rights of Third Parties) Act 1999.

- 18.2 The rights of the Client and/or the Consultant to:

- (a) terminate the Consultant's employment under these Terms and Conditions, or to agree to rescind these Terms and Conditions; or
- (b) agree to amend or otherwise vary or to waive any terms of these Terms and Conditions; or
- (c) agree to settle any dispute or other matter arising out of or in connection with these Terms and Conditions, in each case in or on such terms as they shall in their absolute discretion think fit,

shall not be subject to the consent of any landowner, purchaser or tenant.

SCHEDULE 1

The Services and Fee

The services and Fee are described in the letter from Clare San Martin of John Thompson & Partners LLP to Andrew Hodgson of Welbeck land dated 27 January 2017 attached hereto.

27 January 2017

Andrew Hodgson
Strategic Planning Manager
Welbeck Land
13 Woodstock Street
London
W1C 2AG

Dear Andrew

South Gillingham Urban Extension

Introduction

Further to our meeting on 20th January I am writing to provide a fee proposal for masterplanning work to support an outline planning application for the Ham Farm and Newhouse Farm sites to the south of Gillingham. The application will reflect the principles for these sites set out in the South Gillingham Masterplan Framework which has been prepared on behalf of the landowner consortium.

Project Brief

To undertake the scope of work set out below to support an Outline Planning Application (with all matters except access reserved) for 967 homes, a primary school, local centre, community building and associated open space and infrastructure.

The aim is to submit the application for approval in May 2017.

Scope of Work

JTP will be responsible for preparation of the following drawings and documents as set out in the Schedule of Required Information provided by Montagu Evans and dated 18th January 2017 including; a site location plan, Parameter Plans, Indicative Illustrative Plans and Drawings and a Design and Access Statement (including a Design Code). JTP will also prepare and facilitate a pre-application public exhibition and prepare a Statement of Community Involvement.

Stage 1: Baseline and Viability Studies

We will visit the site and work closely with the consultant team to test the principles set out in the South Gillingham Masterplan Framework.

We will advise on any new findings relating to the site constraints and opportunities and summarise the key issues in a workbook which will include a vision statement as well as the main considerations in terms of:

- planning policy including requirements for open space
- sustainability criteria
- transport
- heritage and archaeology
- noise and air quality
- drainage
- ecology
- ground and soil conditions
- community facilities

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Associates
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Andrew Dobson
Lindsay Donovan
Stavros Koulis
Ola Likus
Emmet O'Sullivan
Donald Sayers

Other Studios
Edinburgh & Hangzhou

We will also prepare a phased parcelisation plan based on a target mix to inform Welbeck's viability assessment.

Stage 2a: Outline Planning Application, Parameter Plans and DAS

We will work closely with the consultant team to refine the masterplan and prepare the planning application drawings and supporting documents as set out in the Scope of Work above.

Parameter Plans

The Parameter Plans will include:

- Site Application Boundary
- Land use Plan
- Density Plan
- Building Heights Plan
- Access and Primary Circulation Routes Plan (main street hierarchy)
- Drainage Strategy Plan
- Green Infrastructure Plan
- Development Framework Plan
- Phasing Strategy Plan

Design and Access Statement

The Design and Access Statement will set out the approach to design phasing and zoning. It will explain the principles and concepts that have been applied to the development and demonstrate how the design relates to its context. It will also summarise the site analysis, key constraints and opportunities and design evolution including the response to community consultation.

2b: Design Code

The Design Code will describe character areas and establish design standards including detailed requirements for streets and key public spaces. It will include special guidance on the design of mixed use buildings in the local centre and for associated areas of public realm. It will set out a palette of materials and guidance on boundary treatments, parking typologies and architectural detailing to ensure the new neighbourhoods will be delivered to a high quality and contribute to establishing distinctive sense of place.

Stage 2c: Public Consultation

Prior to finalising the application we will prepare a pre-application public exhibition and collect feedback. The exhibition will include artist's impressions which may also be suitable for marketing the scheme. We will also prepare a Statement of Community Involvement summarising the consultation process and describing how feedback on the draft proposals has shaped the masterplan.

Meetings

Over the programme period we will attend regular meetings with the client and consultant team to review progress and co-ordinate the work of other consultants. We have assumed up to 4 such meetings will be required in addition to up to 2 meetings with the Local Authority.

Project Team

I am pleased to confirm that we have a Project Team and the necessary resources in place to carry out this project. I will be the Partner in Charge. The rest of our team will be drawn from senior members of staff, all of whom have had previous experience of working on this type of project.

Other Consultancy Services

We understand that Welbeck Land will provide all other Consultancy Services normally required for a project of this nature either through in-house services or by means of direct appointment of external consultants.

These could include:

- planning
- transport consultancy

- landscape consultancy
- drainage consultancy (including flood risk assessment)
- heritage and archaeology
- civil, structural and services engineering
- construction cost services
- topographical, tree and site surveys
- environmental and ecological consultants
- ground and soil investigation.

Programme

This fee proposal is based on a 16 week programme.

Should the programme extend beyond 20 weeks for reasons beyond JTP's control we will renegotiate the fee if additional resourcing is required as a result.

Fee Proposal

For undertaking the Scope of Work set out above we propose a fee of **£81,495 plus VAT**.

The following Out of Pocket Expenses are excluded: the cost of travel, printing, photography, reproduction and publishing of documents and supporting statements, costs associated with community and stakeholder engagement such as venue hire, catering, PA and equipment hire, printing and distribution of leaflets, overnight accommodation, printing and mounting display material for exhibitions, models and couriers. These will be agreed in advance if required and re-charged at net cost.

A fee breakdown by stage is set out below.

Item A	Fee
Stage 1	£16,925
Stage 2a	£32,350
Stage 2b	£22,200
Stage 2c	£10,020
Sub total	£81,495

All fees are exclusive of VAT.

This fee does not cover any post planning amendments and negotiations or any Section 106 negotiations. It also assumes the Design Code will not be a SPD (which in our experience involves extra resourcing and a longer project programme).

Following the submission of the planning application we would be pleased to continue to act in an advisory role on a time charge basis or by providing a proposal for a further scope of work once it can be more closely defined.

Other Additional Work

The fees above exclude the production of Computer Generated Images and physical models but we would be pleased to provide a quote for these services if required.

CDM regulations

The project will require the separate appointment of a Principal Designer. JTP propose to deliver this service using specialist advice via a sub-consultancy agreement with Nick Gul of Gardiner and Theobald. We have provided this service using him on a number of projects and I attach a separate scope of work for the Principal Designer along with Nick Gul's CV and fee proposal. In accordance with the CDM Regulations (2015), if more than one contractor is working on your project then, as the Client, you must appoint a Principal Designer and a Principal Contractor in writing under separate fee agreement. If you do not do this then you automatically take on these roles and associated legal duties yourself. Once appointed, the Principal Designer is required to plan, manage, monitor and co-ordinate health and safety in the pre-construction phase of a project.

The Principal Designer will generate and organise information for the health and safety file and hand over at the end of its commission to the Principal Contractor.

Method and Timing of Payment

Invoices will be submitted on a monthly pro-rata basis, reflecting the proportion of work completed to date. All invoices are payable within 30 days of their date of submission.

Abortive Fees

In the unlikely event that the project were to abort at any stage, a pro rata fee would be payable proportionate to the amount of work that had been carried out to that point.

Copyright and Attribution

Provided that all fees and/or other amounts properly due under the Appointment have been paid, Welbeck Land('the Client') warrants that any Buyer and its successors in title, agents and consultants ('the Buyer') will be entitled to an irrevocable royalty-free non-exclusive licence to implement and use for the development of the Property, but for no other purpose, all detailed designs, plans and drawings prepared for the Client by JTP ('the Architects') without payment of any fee or other monetary consideration to the Architects but subject to the Buyer attributing to the Architects due credit for their design input in any publicity relating to the development of the Property.

Governing Law and Jurisdiction

English law will govern with respect to all questions and interpretation of this agreement.

Summary

I trust this will enable you to confirm our appointment and we look forward to working with you on this very exciting project.

Yours sincerely



Clare San Martin

Partner

John Thompson & Partners

REF:01050 fee/AH_CSM_170127

SCHEDULE 2

Third Party Right Schedule

Particulars

Client:	[Identity and registered office]
Consultant:	[Identity and registered office]
Beneficiary:	[Identity and registered office]
Consultancy Agreement by which Client approved Consultant:	[date]
Project:	[details]

Operative Provisions

1. The Consultant warrants that it has complied with and shall continue to comply with its obligations under the Consultancy Agreement provided that it shall owe no greater obligations to the Beneficiary than it would have owed if the Beneficiary had been named joint client under the Consultancy Agreement with the Consultant owing its duties thereunder to each client separately. The Consultant shall be entitled in any action or proceedings by the Beneficiary to rely on any limitation in the Consultancy Agreement and to raise the equivalent rights in defence of liability (save in respect of set-off and counterclaim) as it would have against the Client under the Consultancy Agreement.
2. Copyright in all documents prepared by or for the Consultant in connection with the Project and in any designs depicted in and works executed from these documents shall, unless otherwise agreed, remain the property of the Consultant but the Consultant hereby grants to the Beneficiary a non-exclusive, irrevocable, royalty free, transferable licence to copy, use and publish such documents (including copies thereof) and the right to grant sub-licences in respect of the same for any purpose connected with the Project including without limitation its sale, letting, use, maintenance, redesign, repair, reinstatement, advertisement, marketing, alteration, extension, renewal, redevelopment or refurbishment and the Consultant agrees not to assert any moral rights in such documents or the Project granted pursuant to the Copyright, Designs and Patents Act 1988 or any statutory re-enactment or modification thereof. Such licence shall enable the Beneficiary to copy and use the Documents for the extension of the Project but such use shall not include a licence to reproduce the designs contained therein for any extension of the Project. The Consultant shall not be liable for the use of such documents for a purpose other than that for which they were prepared.
3. The Consultant shall maintain professional indemnity cover with reputable insurers based in the UK without any unusually onerous conditions with a limit of indemnity of not less than the amount specified in the Consultancy Agreement for each and every claim for a period from the commencement of its obligations under the Consultancy Agreement to the expiry of a period of six years from the date of practical completion of the Project provided that such insurance

remains available at commercially reasonable rates. The insurance shall cover claims hereunder arising out of the performance of the Consultant's duties under the Consultancy Agreement. The Consultant shall produce to the Beneficiary at its request a brokers covernote evidencing the insurance arrangements described herein within 7 days of being so required.

4. The Beneficiary may assign all or any part of the benefit of and rights under this Schedule, without the Consultant's consent:
- (a) to an Associated Company at any time and;
 - (b) as security to any person having or acquiring a mortgage or charge over the Project or any part of it (and such rights may be reassigned on redemption); and/or
 - (c) by way of absolute legal assignment to another company ("P 1") and by P1 by way of absolute legal assignment to another person ("P2")

Thereafter, any further assignments shall be with the Consultant's consent.

For the purposes of this clause 4, "Associated Company" means in respect of a relevant company, a company which is a subsidiary, a Holding Company (as that term is described in Section 1159 of the Companies Act 2006) or a company that is a subsidiary of the ultimate Holding Company of that relevant company.

The Beneficiary shall provide written notice to the Consultant following any assignment.