

From: The Royal London Mutual Insurance Society Limited  
(Company Registration Number 00099064)  
80 Fenchurch Street,  
London,  
United Kingdom,  
EC3M 4BY

Date: 21st June 2023

To: Next Holdings Limited (Company Registration  
Number 35161)  
Desford Road  
Enderby  
Leicester  
LE19 4AT

Dear Sirs

**Next Holdings Limited (Company Registration Number 35161) ("NEXT")**  
**The Royal London Mutual Insurance Society Limited ("the Landlord" or "us" or "we")**  
**37 Eastgate Street, Chester (the "Premises")**

The arrangements set out in this letter:

- are collateral to the terms of the lease of the Premises dated 21st June 2023 and made between (1) The Royal London Mutual Insurance Society Limited (Company Registration Number 00099064) and (2) Next Holdings Limited (Company Registration Number 35161) (the "**Lease**") and is entered into immediately prior to and as a condition of the acceptance of the Lease by NEXT;
- are for the sole benefit of NEXT (or any assignee of the Lease which is a Group Company of NEXT) and apply for so long only as NEXT (or any assignee of the Lease which is a Group Company of NEXT) is the Tenant and shall terminate in the circumstances set out in paragraph 3 ("**Termination**");
- (unless otherwise defined in this letter) utilise words and definitions with the meanings given by the Lease; and
- are intended by us to be binding on both ourselves and anyone in whom the immediate reversionary interest in the Lease is from time to time vested.

In this letter definitions below and in the schedule to this letter apply.

<b>Base Rent</b>	a peppercorn per annum;
<b>End Date</b>	the earlier of the dates set out in paragraph 3.1;
<b>Gross Sales</b>	the aggregate of the sale prices received or receivable by the Operators (whether by cash, credit or otherwise) for all goods sold, leased, hired or otherwise disposed of and the charges for all services sold, rendered or performed and for all business and operations of any nature whatsoever conducted at, in, from or upon the Premises by or on behalf of or for the benefit of the Operators but subject always to the provisions of paragraph 2 of the

schedule to this letter PROVIDED THAT if the Premises are closed for trading during the Normal Business Hours in breach of paragraph 2 of this letter then Gross Sales for the relevant Turnover Period shall be increased by the Relevant Amount and the payment of the Relevant Amount shall be deemed to have been accepted by us in full and final settlement of any rights remedies or claims we may have against NEXT for any breach of the terms of paragraph 2 of this letter such that payment of the Relevant Amount is our sole remedy;

**Public Health Emergency**

means an outbreak of an epidemic or pandemic disease within the United Kingdom including (for the avoidance of any doubt) but not limited to COVID19 and/or any subsequent strain of it;

**Relevant Amount**

means  $C \times D$  where:

C = the number of days on which the Premises are closed for trading during the Normal Business Hours in breach of paragraph 2 of this letter during the relevant Turnover Period; and

D = Gross Sales for the relevant Turnover Period divided by the number of days on which the Premises were not closed for trading during the Normal Business Hours during the relevant Turnover Period;

**Suspension Period**

means a period (or periods) during which either:

- (a) the use of the Premises by NEXT in connection with its business is prevented or impeded as a result of any Act of Parliament, statutory instrument, statutory power or decree issued or exercised by or on behalf of the United Kingdom government in relation to a Public Health Emergency; or
- (b) NEXT is unable to open or use the Premises in any manner so that the Premises remain closed to the public in connection with its business due to any (or a combination) of:
  - (i) staff shortages due to staff who usually work at or from the Premises being either incapacitated by the disease which caused the Public Health Emergency (or being a person providing primary care to another person who is so incapacitated or being required by Government guidance to isolate) resulting in staffing levels which mean that the Premises cannot be staffed at 50% or more of the level of staffing usually required to staff the Premises during a normal trading period;
  - (ii) the Public Health Emergency causing supplies of goods to the Premises to be reduced to less than 50% of the level of

supplies that would be available in a normal trading period;

and in the case of (b) the Suspension Period shall be such reasonable period as may be agreed by the Landlord and NEXT both acting reasonably and in good faith provided that:

- (i) in the event of any dispute between the parties as to the existence or extent of any Suspension Period the matter may be referred by either party to be determined by an Expert pursuant to paragraph 8 of the schedule to this letter; and
- (ii) NEXT shall use reasonable endeavours to mitigate the staff shortages or reduction in supplies of goods or shortages of contractors and/or materials and/or equipment;

In consideration of NEXT today entering into the Lease we hereby agree and confirm as follows:

**1. Clause 2.1 of the Lease (Rent)**

- 1.1 Clause 2.1 of the Lease shall not apply and NEXT shall not be required to pay the Basic Rent and the Lease shall be read and construed as if clause 2.1 had been deleted.
- 1.2 For the period commencing on the Rent Commencement Date and ending on the End Date, NEXT shall pay as rent to the Landlord:
  - 1.2.1 the Base Rent (if demanded); and
  - 1.2.2 the Yearly Turnover Rent (if any) as defined in and in the manner stated in Schedule 1 of this letter.
- 1.3 For the period commencing on and including the day following the End Date NEXT shall pay as rent to the Landlord the Basic Rent by equal monthly payments in advance on the first day of each month in every year and proportionately for any part of a year, the first payment being a due proportion to be made on the date following the End Date for the period commencing on that day and ending on the last day of the month in which payment is made (allowance being made for payments for the Base Rent and Yearly Turnover rent made under the terms of this letter for the same period).

**2. Trading during Normal Business Hours**

Until the End Date NEXT shall keep the Premises open for business during the Normal Business Hours (as that term is defined in the Schedule to this letter) and shall maintain during the Normal Business Hours active trade throughout all those parts of the Premises where retail trade is usually carried out or which are intended for retail trade, unless:

- 2.1 NEXT is prevented from doing so because of damage by an Insured Risk or an Uninsured Risk; or

- 2.2 closure is necessary for the carrying out of any repairs or permitted alterations or additions to the Premises provided that NEXT shall carry out such works as soon as reasonably practicable in order to minimise the period of closure; or
- 2.3 closure is necessary for the removal of any contents, fixtures and fittings and for NEXT to vacate the Premises, in each case immediately prior to a proposed assignment or underletting permitted under the Lease or prior to the end or sooner determination of the term of the Lease, such period of closure not to exceed four (4) weeks; or
- 2.4 to do so would be unlawful or contrary to any regulation or requirement of any competent authority; or
- 2.5 there is a Suspension Period.

### **3. Termination**

- 3.1 Save for the provisions of this paragraph 3 and the provisions of paragraphs 1.3, 4, 8 and 10 of this Letter which shall survive the End Date the arrangements set out in this letter will come to an end on the earlier of:
  - 3.1.1 the date when the Lease is assigned (other than to a Group Company of NEXT); or
  - 3.1.2 the date when NEXT grants an underlease of the whole of the Premises or of 51% or more of the Internal Area of the Premises; or
  - 3.1.3 the date of the lawful termination of the Lease pursuant to clause 7 of the Lease (Break Clause).
- 3.2 The provisions of this letter relating to the calculation and payment of Yearly Turnover Rent shall continue to apply after the End Date in accordance with paragraph 3.1 of this letter but only in respect of the period for which NEXT is obliged to pay Yearly Turnover Rent.
- 3.3 The provisions of paragraph 1.3 shall apply from and including the day following the End Date.
- 3.4 Termination of this letter shall be without prejudice to the rights of any party against another in respect of any prior breach of an obligation or of any other liability in the Lease or this letter.
- 3.5 In the event that following forfeiture of the Lease before the End Date NEXT is successful in applying for relief from forfeiture then it is agreed that such relief will be on terms that this letter is reinstated and shall continue in full force and effect unless the relief granted by the Court shall be on the terms that this letter shall not be reinstated.
- 3.6 The occurrence of the End Date shall not prejudice:
  - 3.6.1 NEXT's obligation to pay; or
  - 3.6.2 the Landlord's entitlement to recover; or
  - 3.6.3 the Landlord's obligation to reimburse any overpayment of; or
  - 3.6.4 NEXT's entitlement to recover any overpayment of

any sums due pursuant to the terms of this letter where they have not been quantified prior to the End Date.

#### **4. Confidentiality**

- 4.1 Each of the parties shall keep the detailed terms and conditions of this letter confidential and may not use that information in any press release, publicity advertisement or other disclosure unless and to the extent:
- 4.1.1 that it is required to do so by law or under the regulations of The Stock Exchange, other relevant stock exchange or other regulatory requirement;
- 4.1.2 necessary to comply with the terms of this letter or otherwise give effect thereto in the case of dispute between the parties relating to the provisions of this letter.
- 4.2 Without prejudice to the provisions of paragraph 4.1 of this letter the Landlord will not disclose the Gross Turnover or any other information obtained from inspection or audit of the Records except to the extent necessary for the proper and reasonable implementation of the provisions of this letter or in order to comply with any lawful requirements of any interested competent authority provided that such information is disclosed on a strictly confidential basis.

#### **5. Break Clause**

Clause 7 of the Lease (Break Clause) shall be deemed to have been deleted and replaced with the following clause:

##### **7 Break Clause**

- 7.1 This Lease will terminate on the Break Date if:
- 7.1.1 the Tenant gives notice of termination to the Landlord not less than six (6) months before the Break Date (time being of the essence); and
- 7.1.2 (subject to clause 7.2) the Demised Premises are given back to the Landlord free of the Tenant's occupation and the occupation of any other lawful occupier and without any continuing underleases.
- 7.2 The Tenant shall be deemed to have complied with the condition at clause 7.1.2 where the employees of the Tenant and any other lawful occupier have left the Demised Premises and there are no continuing underleases.
- 7.3 The Landlord may by notice to the Tenant expressly waive all or any of the conditions in clause 7.1.
- 7.4 If this Lease terminates in accordance with this clause 7 it shall be without prejudice to the rights of either the Landlord or the Tenant against another in respect of any prior breach of an obligation or of any other liability in this Lease.
- 7.5 If this Lease terminates in accordance with this clause 7 the Landlord shall within twenty-one (21) days after the Break Date reimburse to the Tenant an amount which equates to the proportion of the Yearly Turnover Rent and Insurance Rent (if any) paid in advance by the Tenant and which is referable to any period falling after the Break Date.

**6. Forfeiture**

6.1 The reference in clause 5.1 of the Lease (Right of Re-Entry) to the Basic Rent shall be deemed to have been deleted and replaced with reference to the Yearly Turnover Rent due under the terms of this letter with the intent that the Landlord may forfeit the Lease if such sums remain unpaid twenty-one (21) days after they are due.

6.2 For the purpose of clause 5.1 of the Lease the reference to Lease shall be deemed to include the terms of this letter.

**7. Rent Suspension (Damage)**

All references in clauses 5.7 and 5.8 of the Lease (Damage) and in the definition of Loss of Rent at clause 1.1 of the Lease to the Basic Rent shall be deemed to have been deleted and replaced with reference to the Yearly Turnover Rent due under the terms of this letter with the intent that whenever the Basic Rent under the terms of the Lease is suspended payment of all sums due pursuant to the terms of this letter shall also be suspended.

**8. Surrenders of Part**

For the purpose of clause 3.11.5 of the Lease, NEXT shall only be required to obtain Landlord's written consent to a surrender of any underlease of part of the Premises and Landlord's consent shall not be required to a surrender of any underlease of the whole of the Premises.

**9. Interest**

All references in clause 10 (Interest) of the Lease to the Basic Rent shall be deemed to have been deleted and replaced with reference to the Yearly Turnover Rent

**10. Collateral Contract**

This letter is a collateral contract for the purpose of the Landlord and Tenant (Covenants) Act 1996 and is intended to be and shall be binding on the Landlord and its successors in title and assigns from time to time.

## **Schedule 1 Turnover Rent**

### **1. Definitions**

In this schedule the following expressions shall have the following meanings:

<b>Concession Amount</b>	means $E \times F$ where:  E = the number of square feet of the Internal Area of the Premises subject to concessions or franchises or underlettings; and  F = the Gross Sales for the relevant Turnover Period divided by the number of square feet of Internal Area of the Premises not subject to concessions or franchises;
<b>Internal Area</b>	gross interior area measured in accordance with the edition of the Professional Statement for Property Measurement issued by the Royal Institution of Chartered Surveyors current at the date of the Lease;
<b>Normal Business Hours</b>	any 8.5 hours during the day Monday to Saturday and any 6 hours during the day on Sunday subject in each case to such statutory restrictions on opening hours as may apply but so that Normal Business Hours shall not include (and NEXT shall not be obliged to open for trade during) the afternoon of Christmas Eve, Christmas Day, Boxing Day, Easter Sunday or New Years Day;
<b>Operators</b>	NEXT and any Group Company of NEXT and any other permitted occupier in each case conducting business on, in, at or from the Premises with the express or implied authority of NEXT (or of any of the other operators) for the purposes of any trade or business (but not concessionaires or franchisees or undertenants);
<b>Quarter Date</b>	means 31 December, 31 March, 30 June and 30 September in each year;
<b>Quarterly Period</b>	means a period of three months falling within the Term and ending on and including a Quarter Date but:  (1) the first Quarterly Period shall commence on 25 December 2025 and end on 31 March 2026; and  (2) the last Quarterly Period will be the period starting on the day after the last Quarterly Period before the End Date and ending on the End Date;
<b>Quarterly Turnover Certificate</b>	has the meaning given to it in paragraph 3.1 of this Schedule;

<b>Quarterly Turnover Rent</b>	means a sum equal to the amount (if any) produced by applying the Quarterly Turnover Rent Formula in respect of the relevant Quarterly Period;
<b>Quarterly Turnover Rent Formula</b>	means $X \times Y$ where  $X$ = Gross Sales for the relevant Quarterly Period as stated in the relevant Quarterly Turnover Certificate; and  $Y$ = the Turnover Percentage;
<b>Records</b>	means all books and other documents or records or information (including computer and other storage systems, cash register receipts, bank statements, invoices, receipts and any tax returns which relate to VAT) which are, or ought in the reasonable opinion of the Landlord to be, kept by the Operators for the purpose of ascertaining and verifying Gross Sales or which are or may in the reasonable opinion of the Landlord be relevant for such purpose;
<b>Turnover Percentage</b>	means 6%;
<b>Turnover Period</b>	means a consecutive period of twelve (12) months during the Term commencing on the date immediately following a Year End Date and ending on the next following Year End Date except that the last Turnover Period may be a period shorter than twelve (12) months commencing on the day after the last Year End Date before the End Date and ending on the End Date;
<b>Year End Date</b>	means 24 December;
<b>Yearly Turnover Certificate</b>	has the meaning given to it in paragraph 3.1 of this Schedule;
<b>Yearly Turnover Rent</b>	means a sum equal to the amount (if any) produced by applying the Yearly Turnover Rent Formula in respect of the relevant Turnover Period;
<b>Yearly Turnover Rent Formula</b>	means $A \times B$ where  $A$ = Gross Sales for the relevant Turnover Period as stated in the relevant Yearly Turnover Certificate; and  $B$ = the Turnover Percentage;

Any negative amount produced by any of the formulae set out in the above defined terms shall be deemed to be zero pounds (£0).

## 2. Gross Sales

2.1 Subject to paragraphs 2.2 and 2.3 of this Schedule Gross Sales includes any sales and service:



- 2.1.1 the orders for which originate at or are made, solicited, received or accepted at or from the Premises even if their execution, delivery or performance is made from or at any place other than the Premises or if payment is made to a person other than the Operators;
- 2.1.2 the orders for which are obtained or made, solicited, received or accepted by any place other than the Premises by any persons operating from, reporting to or supervised or controlled from the Premises but excluding the area and regional managers of the Operators;
- 2.1.3 pursuant to mail (including email, text messaging or equivalent), facsimile transmission, telephone, internet (or other online or electronic means), digital transaction or other similar orders where their execution is made at or from the Premises but excluding Next Directory orders;
- 2.1.4 made or provided by means of mechanical or other vending devices in the Premises save for vending machines made available only for the Operator's staff;
- 2.1.5 which are the result of orders made and paid for over the internet using the NEXT reserve for collection in store service where the goods sold are drawn from stock kept at the Premises;
- 2.1.6 which in the normal and customary course of the Operator's business would be credited or attributed to business effected on the Premises;
- 2.1.7 the value of any gift cards redeemed at the Premises

which are neither included in nor excluded from Gross Sales by the other provisions of this paragraph 2.

- 2.2 The following shall not be included in, or (if included) shall be deducted from, Gross Sales when calculating the same:
  - 2.2.1 the price of goods or merchandise transferred from the Premises where such transfer was not made for the purpose of fulfilling a sale;
  - 2.2.2 the price of goods or merchandise returned to shippers, wholesalers or manufacturers;
  - 2.2.3 the amount of any cash or credit refund (not exceeding the sale price for the goods or the charge for the services) the proceeds of which have already been included in Gross Sales where the merchandise is returned and the sale cancelled or fees for the services are refunded wholly or partly but excluding Next Directory orders or credits;
  - 2.2.4 the price of goods or merchandise returned by customers for exchange if the price of the returned goods or merchandise was originally included in Gross Sales and the price given in exchange is also included in Gross Sales;
  - 2.2.5 service, finance or interest charges payable by the Operators to any financier in connection with the provision of credit to customers other than the commissions on credit or store cards;
  - 2.2.6 discounts properly and reasonably allowed to any customer in the usual course of business or customarily allowed to employees for goods, merchandise or services supplied to them by the Operators;

- 2.2.7 the amount of any proper delivery, postal or insurance charge;
  - 2.2.8 the amount of any deposit refunded to any customer where a transaction is cancelled and such deposit has already been included in Gross Sales;
  - 2.2.9 the gross sales of and any amounts received from concessionaires and/or franchisees and/or undertenants;
  - 2.2.10 VAT, purchase tax and any similar sales or excise tax imposed on the NEXT in respect of the supply of goods or services;
  - 2.2.11 Next Directory orders and sales; and
  - 2.2.12 the value of any gift cards sold at the Premises.
- 2.3 In calculating Gross Sales:
- 2.3.1 every sale on credit terms or on a hire purchase or instalment basis is to be treated as a sale for the full cash price at the date when the sale or transaction is made irrespective of the time or times at which payment is received;
  - 2.3.2 every deposit by a customer is to be included at the time of receipt or (if earlier) when receivable but shall be deducted from Gross Sales if and when repaid;
  - 2.3.3 no reserve or deduction is to be made for bad or doubtful debts (including inability or failure to collect or enjoy the goods, merchandise or services in question);
  - 2.3.4 (subject to paragraph 2.2.5 of this Schedule) no deduction is to be made for discounts or commissions payable by the Operators to the provider of credit (in the case of any transaction paid by credit card);
  - 2.3.5 VAT (or other similar excise tax or duty) paid to the Operators by its customers or clients in respect of the supply of goods or services made by the Operators shall not be included in Gross Sales or, if included, shall be deducted;
  - 2.3.6 an item of Gross Sales counted under one head may not, to that extent, be counted under another.

### 3. Certificates

- 3.1 Within twenty eight (28) days after the end of each Quarterly Period NEXT shall deliver to the Landlord a certificate ("**Quarterly Turnover Certificate**") signed by the Tenant's Finance Director certifying the Gross Sales during that Quarterly Period and including at a minimum the type of information and level of detail set out in the example certificate annexed to this letter.
- 3.2 Within twenty-eight (28) days after the end of each Turnover Period NEXT shall deliver to the Landlord a certificate ("**Yearly Turnover Certificate**") audited and signed by an independent, qualified and reputable accountant or firm of accountants certifying the Gross Sales during that Turnover Period and including at a minimum the type of information and level of detail set out in the example certificate annexed to this letter.

- 3.3 NEXT covenants with the Landlord that each Quarterly Turnover Certificate and Yearly Turnover Certificate will state accurately the amount of Gross Sales during the relevant periods.

#### **4. Payment of Turnover Rent**

- 4.1 For the period commencing on the Rent Commencement Date and thereafter during each Quarterly Period NEXT shall pay to the Landlord the Quarterly Turnover Rent as follows:
- 4.1.1 as soon as reasonably practicable after receiving each Quarterly Turnover Certificate the Landlord shall calculate the amount of the Quarterly Turnover Rent (if any) and submit to NEXT an invoice for payment of such sum;
- 4.1.2 within fourteen (14) days after receiving such invoice NEXT shall pay the sum specified in the invoice to the Landlord;
- 4.1.3 if NEXT fails to deliver a Quarterly Turnover Certificate within the period specified in paragraph 3.1 of this Schedule then the Landlord may serve on NEXT an estimated invoice which shall be:
- 4.1.3.1 an invoice for 105% of the amount of Quarterly Turnover Rent due for the preceding Quarterly Period (save for the first Quarterly Period) for which a Quarterly Turnover Certificate had been delivered; or
- 4.1.3.2 in the first Quarterly Period or where no Quarterly Turnover Certificate has been delivered for the preceding Quarterly Period, for an amount as estimated by the Landlord acting reasonably
- and NEXT shall pay the sum specified in such invoice within fourteen (14) days of receipt of the estimated invoice.
- 4.1.4 following late submission of the Quarterly Turnover Certificate:
- 4.1.4.1 NEXT shall pay to the Landlord within fourteen (14) days of receipt of the Landlord's further invoice the shortfall between the amount paid pursuant to paragraph 4.1.3 of this Schedule and the actual amount of the Quarterly Turnover Rent for the relevant Quarterly Period; or
- 4.1.4.2 the Landlord shall pay to NEXT within fourteen (14) days of receipt of the Yearly Turnover Certificate any amount paid by NEXT to the Landlord pursuant to paragraph 4.1.3 of this Schedule in excess of the actual amount of the Yearly Turnover Rent for the relevant Turnover Period.
- 4.2 As soon as reasonably practicable after receiving each Yearly Turnover Certificate the Landlord shall:
- 4.2.1 calculate the amount of the Yearly Turnover Rent due for the relevant Turnover Period credit first being given for all payments of Quarterly Turnover Rent payable pursuant to paragraph 4.1 paid in respect of the relevant Turnover Period; and

- 4.2.2 submit to the Tenant a statement showing the Yearly Turnover Rent (if any) payable for the relevant Turnover Period together with a written demand for payment of such Yearly Turnover Rent.
- 4.3 The Tenant must pay any Yearly Turnover rent due within fourteen (14) days of receiving the written demand referred to in paragraph 4.2.
- 4.4 If the Yearly Turnover Rent due for that Turnover Period is less than the total Quarterly Turnover Rent paid on account by the Tenant for that Turnover Period the excess shall be credited to the Tenant against future payments of Quarterly Turnover Rent and Yearly Turnover Rent (until such credit is fully utilised) or will be refunded to the Tenant in respect of the last Turnover Period before the End Date.

## **5. Concessions and underletting**

If at any time any part of the Internal Area of the Premises is subject to concessions or franchises or underlet then for the period during which the Premises is subject to concession or franchise or underlet (and only for such period) Gross Sales for the relevant Turnover Period shall be increased by the Concession Amount.

## **6. Landlord's right to Inspect Records and Accounts**

- 6.1 The Landlord may at any time within one (1) year after a Yearly Turnover Certificate has been delivered to the Landlord cause or require an audit of all Records relating to Gross Sales as certified in that Yearly Turnover Certificate by a professionally and suitably qualified accountant appointed by the Landlord. As soon as reasonably practicable following receipt of a written request by the Landlord NEXT shall make all such Records available to the Landlord or its authorised representative for audit at NEXT's registered office or at any other place that may be mutually agreed.
- 6.2 If Gross Sales shown by any Yearly Turnover Certificate are found by audit to be understated by more than three per cent (3%) then NEXT shall pay to the Landlord the reasonable and proper cost of the audit and in the event it is found that any further Yearly Turnover Rent is payable then such further Yearly Turnover Rent shall be paid by NEXT to the Landlord within fourteen (14) days of demand together with Interest from and including the date on which the Yearly Turnover Rent should properly have been paid in accordance with the terms of this letter until and including the date of actual payment.
- 6.3 If NEXT shall disagree with the findings of an inspection or audit of Records carried out by the Landlord then either the Landlord or NEXT may require that the matter is referred to an independent accountant (the "**Independent Accountant**") to be appointed by the Landlord and NEXT jointly or, in default of agreement, (on the application of either the Landlord or NEXT) by the President of the Royal Institution of Chartered Surveyors.
- 6.4 The Independent Accountant shall act as an expert and the provisions of paragraph 8 of this Schedule shall apply.

## **7. Operators**

NEXT shall require any Operators to comply with the same obligations with respect to the Records as are imposed on NEXT in this schedule and NEXT shall procure that the Landlord shall have the same rights in respect of any Operators as it does in this schedule in respect of NEXT.

## **8. Expert determination proceedings**

- 8.1 Save where the dispute relates to a matter of law or of the interpretation of this letter,

any disputes in relation to the calculation of the Quarterly Turnover Rent or Yearly Turnover Rent under this letter are to be determined by an expert.

- 8.2 The expert is to be appointed by the Landlord and NEXT jointly or if there is no agreement on the appointment he is to be nominated by the President (or other acting senior officer for the time being) of a relevant professional body on the request of either the Landlord or NEXT.
- 8.3 The expert shall be instructed to act as an expert (and not as an arbitrator) and any dispute or question relating to his terms of reference shall be in his exclusive jurisdiction.
- 8.4 The expert is to be required to:
  - 8.4.1 give notice to the Landlord and NEXT allowing each of them to submit to him within such reasonable time as he may stipulate representations on the relevant issue accompanied (if either of them so wish) by a statement of reasons and professional valuations or reports (as the case may be) of which copies are supplied at the same time to the other Party; and
  - 8.4.2 permit each of the Landlord and NEXT to make, within a reasonable period, a submission in respect of the other's reasons, valuations and reports provided under paragraph 8.4.1 and to comment on the submission of the other; but
  - 8.4.3 neither the Landlord nor NEXT may without the consent of the other disclose to the expert correspondence or other evidence to which the privilege of non-production ("without prejudice") properly attaches.
- 8.5 The expert is not to be bound by any such submission and he may make his determination as he thinks fit and shall be instructed to give notice of such determination to the Landlord and NEXT in writing.
- 8.6 The determination of the expert is to be final and binding on the parties except in the case of manifest error.
- 8.7 The fees and expenses of the expert including the cost of his appointment or nomination as well as the Landlord's and NEXT's own costs with respect to the determination of the issue by the expert are to be borne either as to the whole or in the proportions as the expert determines (but in the absence of such a determination they are to be borne equally by the Landlord and NEXT) and:
  - 8.7.1 the Landlord may pay the fees and expenses required to be borne by NEXT if they remain unpaid more than twenty-one (21) days after they become due and then recover them, and any expenses incurred in seeking recovery from NEXT, as a debt recoverable on demand; or
  - 8.7.2 NEXT may pay the fees and expenses required to be borne by the Landlord if they remain unpaid more than twenty-one (21) days after they become due and then recover them, and any expenses incurred in seeking recovery from the Landlord, as a debt recoverable on demand.
- 8.8 If the expert refuses to act, becomes incapable of acting or dies, the Landlord or NEXT may require the appointment of a replacement expert in accordance with paragraph 8.2.

Please return one copy of this letter signed by you to signify your acceptance of its terms and conditions set out in this letter.

Signed by  
for and on behalf of  
**THE ROYAL LONDON MUTUAL INSURANCE  
SOCIETY LIMITED**

Authorised Signatory .....

FULL Name: .....

Authorised Signatory .....

FULL Name: .....

**Signed by:**

**Signature:** .....  
DocuSigned by:  
*Jane Shields*  
.....  
BA771A45F3F2424...

**Print name:** .....  
Jane shields

**Duly authorised signatory for and on behalf of NEXT HOLDINGS LIMITED**