

19 May 2014

Consent to certain actions for the purposes of the initial undertakings accepted by the Office of Fair Trading ('OFT') on 31 March 2014

Completed acquisition by CALA 1 Limited ('CALA') of Banner Homes Group Plc ('Banner')

I refer to your e-mails of 2 and 9 May 2014, sent to my colleague Peter Swan, requesting that the Competition and Markets Authority ('CMA') consents to derogations to the Initial Undertakings of 31 March 2014 (the 'Initial Undertakings') given to the OFT.

Under the Initial Undertakings, save for written consent by the OFT/CMA, provision was made that CALA will hold separate the CALA business (as defined in the Initial Undertakings) from the Target (Banner). After due consideration of your request for derogations to the Initial Undertakings, CALA may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 2(a) and 2(j) of the Initial Undertaking:

During the specified period (as defined in the Initial Undertakings), in order to ensure that the value of the Banner business is maintained throughout the review period, [REDACTED] and [REDACTED]¹ may be required to approve the following transactions under the provisions of CALA's Shareholder's Agreement:

- any disposal of a development site which [REDACTED]; and
- any acquisition of land for £[REDACTED] or more.

The information received by the specified individuals in relation to the specific proposed acquisition or disposal will be restricted to:

- a summary of the legal contract, setting out the key terms;
- a financial appraisal of the land in question;
- a site plan; and
- any relevant market research information.

The specified individuals who will grant the approvals are as follows:

- [REDACTED] – Managing Director ([REDACTED])
- [REDACTED] – Chief Operating Officer ([REDACTED])
- [REDACTED] – Finance Director ([REDACTED])
- [REDACTED] – Chairman of UK Investment ([REDACTED])
- [REDACTED] - In House Legal Counsel ([REDACTED])
- [REDACTED] ([REDACTED])

¹ These companies are major shareholders of CALA.

- [REDACTED] - Head of Group Treasury & Investments ([REDACTED])
- [REDACTED] - Investment Manager, Direct Investments ([REDACTED])
- [REDACTED] - Managing Director of [REDACTED] ([REDACTED])
- [REDACTED] – General Counsel ([REDACTED])

Each individual has agreed that they:

- a) Will not share any of the information provided by Banner in relation to this section with any person outside of the above group of individuals.
- b) Will ensure, should the transaction be prohibited, that any records or copies of such information are returned to Banner or destroyed other than as may be required for the purposes of regulatory compliance under applicable law.