

DRAFT

JOINT VENTURE HEADS OF TERMS

Date: 2018

Subject to Contract

1 INTRODUCTION

- 1.1 These heads of terms set out the principal terms and conditions upon and subject to which **HAREWOOD HOUSING SOCIETY LIMITED (Harewood)**, **PENDLE BOROUGH COUNCIL (the Council)** and **BARNFIELD INVESTMENTS LIMITED (Barnfield)** are proposing to enter into a joint venture to develop land for housing (the **Proposed Joint Venture**). Each of Harewood, the Council and Barnfield is a **party** and together they are the **parties**.
- 1.2 The terms in this document are not exhaustive and, with the exception of paragraphs 2.4, 9, 10, and 11, are subject to contract and not intended to be legally binding on the parties. Neither party shall be legally bound to proceed with the Proposed Joint Venture unless and until a formal written joint venture agreement is entered into.

2 JOINT VENTURE STRUCTURE

- 2.1 The Proposed Joint Venture will be structured as a private company limited by shares (**JVCo**).
- 2.2 Each of the parties will be the shareholders of JVCo in the following proportions:
- 2.2.1 Harewood – 50%
 - 2.2.2 Council – 15%
 - 2.2.3 Barnfield – 35%
- 2.3 Entry into the Proposed Joint Venture will be conditional on:
- 2.3.1 each party conducting, to its satisfaction, legal, financial, accounting, taxation and commercial due diligence on each other party and any other investigations that it thinks necessary;
 - 2.3.2 Harewood conducting, to its satisfaction, property due diligence on the First Projects (as defined below);
 - 2.3.3 approval and consent of the Proposed Joint Venture being given by the appropriate decision-making bodies within or on behalf of the parties and any relevant third parties including, without limitation, any tax, regulatory or competition authorities and such approvals and consents remaining in full force and effect at completion of the Proposed Joint Venture;
 - 2.3.4 the parties negotiating, drafting and agreeing in terms satisfactory to them both a joint venture agreement (the **JVA**) and agreements relating to the provision of services to the Joint Venture Company and the provision of works in each case governed by English law; and
 - 2.3.5 there being no material adverse change in the nature or conduct of the business of any party and the proposed business or assets of JVCo.
- 2.4 Each party shall use its reasonable endeavours to ensure that the information provided to the other party is materially complete and accurate. No party or any of its directors, agents or employees

makes (or is authorised to make) any representation or warranty (express or implied) or shall have any responsibility or liability in respect of any information supplied to the other party and its advisers for its accuracy, reliability or completeness or for any other matter concerning that party, and no representation or warranty is made or is to be implied that the information will remain unchanged save that this paragraph shall not operate to exclude liability for fraudulent misrepresentation.

3 BUSINESS OF THE PROPOSED JOINT VENTURE

- 3.1 The Proposed Joint Venture will be established with the purpose of increasing housing supply for return on investment and providing a mixed tenure programme which would deliver choice for local residents and the opportunity for progression along the housing ladder, from affordable rent, through rent to buy, shared equity and outright sale. JVCo shall enter into development agreements, building contracts and appointments to achieve this purpose.
- 3.2 The parties will work in good faith to identify sites to acquire and develop which will provide returns, and assess the development financing needed for this in line with the relevant Business Plans and Financial Projections. The parties have identified the following site(s) as the first site(s) to be developed by JVCo:
- 3.2.1 Carry Lane phase 2, Colne (owned by Pearl2)
- 3.2.2 Oak Street Mill, Colne (owned by Pearl)
- 3.2.3 Clitheroe Road, Brierfield (owned by Pearl2)
- (the **First Projects**).¹
- 3.3 Land will either be purchased from a landowner by JVCo or licensed to it to enable it to carry out works, as agreed through the Site Business Plan for the relevant site. Land will be purchased for the aggregate of residual land value plus the value of the works to date.
- 3.4 Harewood will be given first right of refusal to acquire (itself or through a member of its corporate group) properties developed by JVCo which are for an affordable housing tenure (Affordable Rent/ Rent to Buy/ Shared Ownership).
- 3.5 As a founding principle, the parties will be looking for the Proposed Joint Venture to maintain the value of their respective equity stakes and to generate a rate of return on investment in excess of their individual cost of funds.

4 COMMENCEMENT AND DURATION

- 4.1 The parties will negotiate in good faith with a view to reaching financial close on the First Projects and the purchase of the site(s) by no later than [DATE] or as otherwise agreed between the parties.
- 4.2 The Proposed Joint Venture shall continue until the earlier of the termination of the JVA or there being only one Member.

5 CAPITAL AND FINANCE

- 5.1 Save for the nominal initial subscriptions for shares by the parties, the funding of JVCo will be by way of loan notes from the parties in proportion to their shareholdings (the **Initial Funding Contribution Rate**) unless all parties agree to vary the proportions in relation to any particular development. Third party debt will be secured to meet any remaining projected funding requirements and a development will not commence until all such funds are in place.
- 5.2 In the event that further funding is required (over and above that referred to in paragraph 5.1), the parties will first seek to obtain third party debt, but in the absence of third party debt, each of the parties will inject new loan notes in the same proportions as the Initial Funding Contribution Rate. If

¹ Means of funding JVCo's acquisition of sites to be discussed.

one party refuses to provide its proportion of the funding (the **Refusing Party**) then another party or parties may make up the shortfall (a **Default Loan**) and any Default Loan will carry interest at a rate of [25%] per annum.² The Refusing Party may itself subsequently advance funding to JVCo to allow it to repay 100% of the Default Loan and 100% of accrued interest on the Default Loan. The funding advanced by the Refusing Party to allow repayment of the Default Loan and interest thereon will be on the same terms as the original loan notes save that the amount repayable on those loan notes shall be limited to an amount equal to the principal amount only of the Default Loan.

- 5.3 Save as provided in paragraph 5.2 in relation to a Default Loan, the interest rate on loan notes shall be [%].³
- 5.4 Any Default Loan will be repaid in priority to repayment of other funding from the parties.
- 5.5 If any further finance is required, the JVCo shall seek to procure that such finance requirements are satisfied by borrowings from third parties, or in the absence of third party debt by further borrowings from the parties through additional loan notes.

6 DOCUMENTS

- 6.1 The parties will enter into the JVA and ancillary documents. The JVA will include the following key terms.

Governance

- 6.2 The business of JVCo is to be conducted in accordance with the Business Plan agreed by the parties, as amended from time to time in accordance with the provisions of the JVA.
- 6.3 Each separate development site will have its own business plan and financial projections in accordance with which that site will be developed.
- 6.4 Governance will be through a Board with key matters reserved to the decision of a majority of directors appointed by each party.⁴
- 6.5 There will be trading relationships between JVCo and the parties or their affiliates. If a disagreement arises between members of the Board in relation to a trading relationship with a party (or an affiliate of a party) then this will not be treated as a "deadlock" scenario under paragraph 0 below. Instead, the Board will seek independent advice from a suitably qualified professional (such as a surveyor acting as employer's agent) and the Board shall be bound to act in accordance with such advice (save where a majority of the directors appointed by each party agrees otherwise).

Board

- 6.6 The Board will have overall control of JVCo including:
 - 6.6.1 dealing with accounts (including management accounts, end of year accounts and reports to the parties);
 - 6.6.2 preparing the annual Business Plan; and
 - 6.6.3 providing the parties with information as to progress of the business.
- 6.7 The Board will comprise not less than twelve directors with each party's entitlement to appoint directors being as follows:
 - 6.7.1 Harewood - up to four directors

⁴ This is intended to evidence that the decision-making is at JVCo level rather than the Council/ Harewood "directing" the JV through reserved matters.

6.7.2 Council – up to four directors

6.7.3 Barnfield – up to four directors⁵

6.8 The total votes of directors appointed by each shareholder will be weighted in proportion to the shareholdings that their appointing shareholder holds in the JVCo. Where not all directors appointed by a shareholder are in attendance at a board meeting, the votes of the remaining directors appointed by that same shareholder shall be weighted such that the remaining directors may cast the total votes held by the directors appointed by the one shareholder. All directors appointed by one shareholder shall vote collectively for or against each resolution.

6.9 The quorum at Board meetings shall be one director appointed by each party.

6.10 Decisions of the Board shall be made as follows:

6.10.1 the approval of a majority of directors appointed by each party shall be required for each of the matters set out in the Schedule to these heads of terms; and

6.10.2 in relation to any other matter, a simple majority shall be required.

6.11 Each party will be required to provide an indemnity to JVCo in respect of any losses, liabilities or costs which JVCo may incur arising from the removal by a party of any director of the Board or where any director is removed in the event that the party is no longer a shareholder in JVCo.

Deadlock

6.12 There will be an escalated dispute resolution procedure. Disputes are firstly to be resolved by the directors of all parties then escalated if required to the Managing Directors/Chief Executive of each organisation (or equivalent) who have 20 business days to resolve the dispute. If no resolution can be found a "deadlock" has arisen (save in the circumstances set out in paragraph 6.5 above).

6.13 In addition, a deadlock may also arise in the following circumstances (excluding the circumstances set out in clause 6.5 above):

6.13.1 at Board level where the Board cannot agree on a resolution and the resolution has been re-proposed and not passed at two subsequent meetings;

6.13.2 on the date of the third successive Board meeting (or proposed board meeting) at which a quorum is not present (where such meetings have been duly convened in accordance with the JVA).

6.14 A failure to agree a Business Plan for the Joint Venture from time to time shall not result in deadlock. In these circumstances any ongoing developments will be completed and the affairs of the Joint Venture will be wound down in an orderly fashion. If a business plan relating to a specific site cannot be agreed then that site will not be purchased by the Joint Venture and failure to agree to purchase the site will not constitute a deadlock.

6.15 Following the occurrence of a deadlock any party may within 20 business days serve a **Deadlock Notice**. Following service of a Deadlock Notice the parties have 10 business days to serve a statement or memorandum (a **Deadlock Statement**) setting out its position on the matter in dispute. The parties have a further 5 business days to resolve the deadlock at the end of which any party may refer the matter to mediation. However, certain reserved matters may be excluded from mediation, being so fundamental to the nature of the Business and each party's participation in JVCo.

6.16 If deadlock cannot be resolved following mediation then:

⁵ Overall number of directors and entitlements to appoint to be discussed. In any event, Harewood should have the ability to appoint 50% of the Board. Each party's nominated directors should have the ability, if one or more of them is absent, to cast the full number of votes available if all of a party's directors were present.

- 6.16.1 no new projects will be undertaken by JVCo;
- 6.16.2 any existing projects carried out by JVCo will be completed by JVCo in an orderly fashion; and
- 6.16.3 once all existing projects have been completed, the assets will be sold and the affairs of the Joint Venture and JVCo will be wound down in an orderly fashion.

Finance, profits and losses

- 6.17 Initial capital and debt contributions will be provided in accordance with paragraph 5 above.
- 6.18 Subject to paragraphs 8.2 and 8.3, JVCo will distribute net profits at the earliest opportunity after taking account of any actual or contingent liabilities and subject always to the provisions of any finance agreements.

Incoming and outgoing members and assignment

- 6.19 There will be no provision for additional or replacement parties to join JVCo and that in the event of deadlock or a party's desire to leave JVCo, no new projects will be started, the existing projects will be completed and JVCo will then be wound up.
- 6.20 No party may transfer, assign or novate all or part of the JVA or their interests in the Joint Venture other than to a group JVCo of similar financial standing.

Group Structure

- 6.21 Unless unanimously agreed by the shareholders, the JVCo will remain a single entity through which all projects will be developed. The shareholders may unanimously agree to establish any subsidiaries of the JVCo from time to time.

Performance management

- 6.22 The parties will monitor the performance of JVCo.
- 6.23 Performance targets will be incorporated into agreements which JVCo enters into with its service providers (including the parties). Failures to meet performance targets could give rise to a termination of the relevant agreement.
- 6.24 Termination of a service agreement, a construction agreement or development agreement between JVCo and one of the parties or their affiliates will not automatically trigger a default under the JVA unless the reasons for the termination are ones which would make the ongoing partnership unworkable e.g. fraud.

Cessation of the Joint Venture

- 6.25 On termination of the JVA, JVCo shall be placed into voluntary liquidation and wound up and after payment of liabilities, its assets shall be distributed to the parties in the relevant proportions as at the time of the determination.
- 6.26 Default triggers for termination will include a party suffering an insolvency event and fraud. If a party is in breach of the JVA, the other parties:
 - 6.26.1 shall be entitled to assume responsibility for the management and completion of any live projects being carried out in accordance with the Business Plan to the exclusion of the defaulting party and its directors (this shall be subject to any step in rights required by the third party debt funders); and/or

6.26.2 may exercise the right to acquire the interests of the defaulting party in JVCo at any time after the relevant event of insolvency or event of default. The defaulting party shall dispose of its interests in JVCo for a nominal value.

6.27 Non-default termination will include a resolution to wind up JVCo by agreement of parties once all existing projects have been completed in accordance with the Business Plans.

Intellectual property

6.28 The provisions governing the use and ownership of intellectual property rights of the shareholders and JVCo will be set out in the commercial contracts.

Other key documents

6.29 The other principal documents in relation to the Proposed Joint Venture will comprise, amongst others and as required:

6.29.1 an annual budget for the first financial year of JVCo;

6.29.2 bank financing documents;

6.29.3 loan note instruments to be executed by JVCo;

6.29.4 construction or development agreements;

6.29.5 project management agreements;

6.29.6 service agreements;

6.29.7 land transfer documents; and

6.29.8 and such other documents usually required for a transaction of this nature and as agreed to by the parties' advisers.

6.30 Ancillary matters necessary to setting up and the operation of JVCo are:

6.30.1 the appointment of directors;

6.30.2 the appointment of auditors;⁶

6.30.3 the appointment of a principal bank;

6.30.4 registration for VAT;

6.30.5 establishment of the accounting date and first account reference period;

6.30.6 approval of the Business Plans, including financial model, as the overarching Business Plan and individual Site Business Plans;

6.30.7 approval of the transaction documents including any construction agreement, Project Management Agreement, loan agreement, immediate third party contracts and any secondment agreements (**Transaction Documents**);

6.30.8 execution of the Transaction Documents; and

⁶ To be confirmed – under the original proposal to use Pearl2 as the JV vehicle, Barnfield's accountants/ auditors were to be used.

- 6.30.9 the procuring of relevant insurances required by JVCo (which may include insurance of any assets held by JVCo, public liability and professional indemnity insurance).

7 SERVICES AND WORKS TO JVCO

- 7.1 The parties intend that they or their affiliates will also provide works or services to JVCo, for which fees will be paid by JVCo. Contracts between a member and a party (or any affiliate) are to be on an open book, transparent and arm's length basis and will be subject to approval by the Board.
- 7.2 Any works or services provided by a party or an affiliate to JVCo shall be subject to such works or services being of necessary quality and costs being in accordance with market tested or benchmarked tests. Each party will use reasonable endeavours to procure that any works or services provided to JVCo benefit from any group level volume discount negotiated with its supply chain.
- 7.3 The services and works to be provided by the parties to JVCo include:⁷
- 7.3.1 Construction management/works – Barnfield will act as project construction lead, managing all necessary construction packages, taking responsibility for overall administration, accounting and procurement of construction works. A management fee will be charged, as set out in the financial model. Barnfield will undertake the JCT contract. Barnfield will allow Newground Together Community Interest Company a right of first refusal in respect of the subcontract for landscaping design/maintenance works subject to agreement of commercial terms for the delivery of those works/services.
 - 7.3.2 Land acquisition – Barnfield will provide land acquisition services.
 - 7.3.3 Sales and marketing – Barnfield will undertake a core sales and marketing role.
 - 7.3.4 Provision of an Employer's agent or representative – JVCo will appoint an agent to provide oversight of the development administration and in particular the construction contract on behalf of JVCo, reviewing expected versus actual profile of spend, basic oversight of the construction process and quality, and validation of contract sum of major packages. The Employer's Agent will be chosen jointly by the parties any of their panels of agents.
 - 7.3.5 JVCo administration – [Harewood (or an affiliate) will undertake the corporate management role, including secretary functions including filing of relevant forms and accounts, accounts and financial administration, back office financial management services to JVCo including payment of construction costs and professional fees, managing the development cashflow, managing the transfer of payments and sales proceeds, general accounts, VAT administration, back office services such as IT and HR, procurement of an auditor at a price to be agreed between the parties].
 - 7.3.6 Barnfield will take the lead in securing third party debt on behalf of JVCo.
- 7.4 It is not intended that JVCo will employ staff directly. Decisions on whether to employ staff directly will be a reserved matter.

8 ACCOUNTS AND FINANCIALS

- 8.1 The first annual Business Plan including the Financial Model and agreed programme for development will be agreed prior to commencement of the JVA and shall be reviewed on a 6 monthly basis. Approval and amendment of the annual Business Plan and accounting policies are reserved matters.

⁷ Starter for 10 – to be discussed.

- 8.2 Profits or losses of JVCo constitute any surplus or deficit generated from the construction, rent and sale of new homes less all costs associated with the development and sale or rental and less the overheads of JVCo.
- 8.3 It is expected that a certain proportion of profit will be retained by JVCo in order to be used for future developments and working capital requirements.
- 8.4 JVCo is obliged to keep:
- 8.4.1 copies of all contracts, sub contracts, sub-sub-contracts, labour contracts, manufacturers' specifications and details, designs and purchase orders;
 - 8.4.2 books of account kept in accordance with best accounting practice showing in detail: administrative overheads, labour and staff costs, payments made to contractors, accounts of materials purchased and consumed, cost of plant and vehicles utilised in the course of its business, premises operational costs, loans, guarantees, securities, all transactions made between it and either of the parties, warranties for e.g. architects' designs/construction works/title deeds/due diligence of site information etc., interests in land/property.
- 8.5 JVCo will provide to the parties at no cost monthly management accounts including profit and loss accounts, cash flow and balance sheet statements in a form so as to facilitate comparison with the Business Plan forecasts.

9 COSTS

- 9.1 Each party is responsible for its own professional and other costs incurred in connection with the Proposed Joint Venture (including, without limitation, the preparation and negotiation of these heads of terms, the JVA, Development Agreements and Project Management Agreements, and any document contemplated by them). Any party may terminate negotiations in relation to the Proposed Joint Venture at any time without having to give any reasons for such termination or incurring any liability to the other party.

10 RIGHTS OF THIRD PARTIES

- 10.1 A person who is not a party to the agreement constituted by this document shall not be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

11 GOVERNING LAW AND JURISDICTION

- 11.1 The agreement constituted by this document, any non-contractual obligations arising under it and negotiations between the parties concerning the Proposed Joint Venture shall be governed by and construed in accordance with the laws of England and Wales and the courts of England and Wales shall have exclusive jurisdiction for all matters arising under it and for these purposes each party irrevocably submits to the jurisdiction of the courts of England and Wales.
- 11.2 Each party hereby confirms its agreement to the terms contained in this document and acknowledges that paragraphs 2.4, 9, 10, and 11 of this document are contractually binding on the parties.

Signed by,)
a director/duly authorised signatory,)
for and on behalf of)
HAREWOOD HOUSING SOCIETY LIMITED) **Director/Duly authorised signatory**

Signed by)
a duly authorised signatory,)
for and on behalf of)
PENDLE BOROUGH COUNCIL) **Duly authorised signatory**

Signed by)
a director/duly authorised signatory,)
for and on behalf of)
BARNFIELD CONSTRUCTION LIMITED) **Director/Duly authorised signatory**

SCHEDULE 1 - RESERVED MATTERS

Decisions to:

- 1 change to the parties' contributions;
- 2 the terms of or the giving of any loan agreement or guarantee;
- 3 wind up or dissolve JVCo;
- 4 form a subsidiary or acquire shares in another JVCo or participate in any legal partnership of joint venture;
- 5 dispose of or dilute its interest in any of its subsidiaries;
- 6 amalgamate or merge with another JVCo;
- 7 change its name;
- 8 enter into any construction contract with a value exceeding £●m or an Index linked contract or having a contract length over ● years;
- 9 enter into a lease for more than ● years or with an aggregate provision and annual rentals over £●m Index linked p.a. (with exceptions);
- 10 grant any rights over any intellectual property owned by JVCo;
- 11 create liens or charges on its assets;
- 12 adopt or amend its annual business plan;
- 13 enter into any contract or commitment not provided for in the Business Plan that could incur costs in excess of £●m;
- 14 develop any sites not included in the business plan;
- 15 change its auditors or account reference date or its accounting policies and principles;
- 16 vary any standard terms of business for services to third parties;
- 17 establish or amend a pension scheme;
- 18 pay more than £● Index linked p.a. to an officer, consultant or employee;
- 19 settle or compromise any legal proceedings against JVCo;
- 20 the direct employment of staff by JVCo;
- 21 make any political or charitable donation;
- 22 become a member of a VAT group;
- 23 any variation to the share capital of the JVCo or the rights attaching to any shares; the creation, allotment, issue or redemption of any shares or securities by the JVCo; the JVCo granting or agreeing to grant any option or right to require the allotment or issue of, or subscription for, or conversion of any instrument into any share or securities of the JVCo; or the cancellation or acceptance of any surrender of any such right to subscribe or convert;

- 24 the waiver of any right to receive payment on any shares issued partly paid;
- 25 the recommendation that the JVCo should seek the admission of all or any of its shares to trading on the London Stock Exchange (or any other recognised investment exchange (within the meaning of section 285(1) Financial Services and Markets Act 2000)) and the agreement or recommendation of any matters ancillary to such admission;
- 26 registering any transfer or allotment of shares other than one made pursuant to this agreement and/or the Articles;
- 27 the disposal of the whole or any part of the business and assets of the JVCo;
- 28 the passing of any resolution whereby the classification or status of the JVCo may change;
- 29 any amendment of any provision of the Articles or the adoption of new articles of association;
- 30 the adoption or approval of the JVCo's annual accounts;
- 31 the appointment of any advisers on any matter material to the JVCo as a whole;
- 32 the appointment or removal of any director, secretary or chairman of the JVCo (other than those directors appointed by shareholders under paragraph 6.7);
- 33 paying any directors' fees and expenses from JVCo funds;
- 34 the JVCo entering into, or varying the terms of or terminating, any service agreement, consultancy agreement or other agreement for the provision of services with any person;
- 35 any waiver by the JVCo of any breach of, or any compromise or settlement of any claim arising out of, any contract or agreement falling within the provisions of paragraph 34 above;
- 36 the establishment of any new, or the variation or discontinuance of the terms of any existing, or the granting of any rights under, any profit sharing, bonus, commission, share option or other incentive scheme or any pension or other benefit scheme of the JVCo;
- 37 any change to the JVCo's bankers or the terms of any mandate given to such bankers or the opening of any new bank account;
- 38 the JVCo incurring any borrowings in excess of £[●] per annum (Index Linked);
- 39 the creation, variation or extension of any encumbrance over any asset of the JVCo or the acceptance by the JVCo of any encumbrance for its benefit.
- 40 the JVCo factoring or assigning any of its debts;
- 41 any material change in the nature of the business or the commencement of any new business by the JVCo;
- 42 any change in the name of the JVCo or any trade marks or logos used by the JVCo;
- 43 the JVCo entering into any agreement or arrangement outside the ordinary course of trading or other than on arms' length terms;
- 44 the JVCo entering into any onerous or unusual contract or any other material or long term contract (that is, one which is incapable of being fully performed within 6 months).
- 45 the JVCo entering into, varying or terminating any agreement or arrangement with any director or shareholder from time to time, or any person connected with a Shareholder or a director from time to time;

- 46 the JVCo entering into, terminating or withdrawing from any partnership, consortium, joint venture or other unincorporated association or merging or amalgamating with any other person;
- 47 the JVCo giving notice to terminate or surrendering, or agreeing to any material change in the terms of, any material agreement or arrangement to which it is a party from time to time;
- 48 the sale, lease, licence, transfer, purchase, mortgaging or charging of any freehold or leasehold property by the JVCo (or any interest in such property) or parting with or sharing possession or occupation of any such property held or occupied by the JVCo that is not approved in the business plan;
- 49 the acquisition or disposal of any Intellectual Property by the JVCo or any interest in any Intellectual Property or the licensing of any Intellectual Property by or to the JVCo;
- 50 the JVCo declaring or paying any dividend or other distribution on account of the shares;
- 51 the JVCo making any political donation or incurring any political expenditure (as such terms are defined in sections 364 and 365 (respectively) of the Companies Act 2006);
- 52 the JVCo threatening, commencing, discontinuing, settling or compromising any litigation, arbitration, tribunal or administrative proceedings;
- 53 the JVCo making any claim, disclaimer, surrender, election or consent of a material nature for tax purposes;
- 54 the variation of any terms of the insurance policies taken out by the JVCo, or the taking out of any additional or replacement insurance policies (other than renewals of the JVCo's policies on substantially the same terms as then in force); and
- 55 the proposal of any compromise or arrangement within the meaning of section 895 of the Companies Act 2006 by the JVCo.