



**Registration of a Charge**

Company Name: **BAXI HOLDINGS LIMITED**

Company Number: **04921647**



XBYGCD4Q

Received for filing in Electronic Format on the: **02/03/2023**

**Details of Charge**

Date of creation: **01/03/2023**

Charge code: **0492 1647 0002**

Persons entitled: **ING BANK N.V. (AND ITS SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **LINKLATERS LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 4921647

Charge code: 0492 1647 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st March 2023 and created by BAXI HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd March 2023 .

Given at Companies House, Cardiff on 3rd March 2023

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

## Security Agreement over shares

Dated 1 March 2023  
created by

**Baxi Holdings Limited**

as the Chargor

in favour of

**ING Bank N.V.**

acting as Security Agent

Certified that, save for material redacted pursuant to section 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument

Linklaters LLP 02/03/2023

## CONTENTS

CLAUSE	PAGE
1. Definitions and interpretation .....	1
2. Creation of Security Interests .....	3
3. Restrictions on dealing with Security Assets .....	4
4. Further assurance .....	4
5. Shares .....	4
6. Representations and warranties .....	6
7. Enforcement of Security Interests .....	7
8. Law of Property Act .....	8
9. Appointment of Receivers .....	8
10. Rights and liabilities of Security Agent and Receivers .....	9
11. Order of application .....	10
12. Power of attorney .....	10
13. Protection of third parties .....	11
14. Saving provisions .....	11
15. Discharge of Security .....	14
16. Costs and expenses .....	14
17. Indemnity .....	14
18. Payments .....	14
19. Remedies, waivers and determinations .....	15
20. Separate and independent obligations .....	15
21. Counterparts .....	15
22. Governing law .....	17
23. Enforcement .....	17

## THE SCHEDULES

SCHEDULE	PAGE
SCHEDULE 1 Rights of Receivers .....	17
SCHEDULE 2 Shares .....	20

THIS DEED is dated 1 March 2023 and made between:

- (1) Baxi Holdings Limited, a private company with limited liability incorporated in England and Wales (registration number 04921647) and having its registered office at Brooks House, Coventry Road, Warwick, Warwickshire, England CV34 4LL, as chargor (the "**Chargor**"); and
- (2) ING Bank N.V. as security agent for the Finance Parties (the "**Security Agent**").

**Background**

- (A) The board of directors of the Chargor is satisfied that entering into this Deed would be most likely to promote the success of the Chargor for the benefit of its members as a whole and to the further benefit and advantage of the Chargor.
- (B) The Security Agent and the Chargor intend this document to take effect as a deed (even though the Security Agent only executes it under hand).
- (C) The Security Agent holds the benefit of this Deed for the Finance Parties on the terms of the Finance Documents.

IT IS AGREED as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

"**CREST**" means the relevant system (within the meaning of the Uncertificated Securities Regulations 2001) operated by Euroclear UK and Ireland Limited.

"**Declared Default**" means an Event of Default in respect of which a Default Notice has been served.

"**Default Notice**" means a notice from the Agent to the Company under Clause 24.17 (*Acceleration*) of the Facility Agreement.

"**Delegate**" means a delegate or sub-delegate appointed by the Security Agent or a Receiver in accordance with this Deed.

"**Facility Agreement**" means the facility agreement originally dated 9 December 2015 as amended and restated on 5 July 2017, between BDR Thermea Group B.V. as Company, certain Subsidiaries of the Company as borrowers and guarantors, the Lenders named in that agreement, ING Bank N.V. as Agent and ING Bank N.V. as Security Agent.

"**Finance Document**" has the meaning given to it in the Facility Agreement.

"**Insolvency Act**" means the Insolvency Act 1986.

"**Law of Property Act**" means the Law of Property Act 1925.

"**Party**" means a party to this Deed.

"**Quasi Security**" means a transaction under which any member of the Group will:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any other member of the Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

**"Receiver"** means a receiver and manager or other receiver appointed in respect of all or any part of the Security Assets and shall, if allowed by law, include an administrative receiver.

**"Related Rights"** means, in relation to a Security Asset:

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset;
- (b) any moneys or proceeds paid or payable deriving from that Security Asset;
- (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset;
- (d) any awards or judgments in favour of the Chargor in relation to that Security Asset; and
- (e) any other assets deriving from, or relating to, that Security Asset.

**"Secured Liabilities"** means all present and future liabilities and obligations at any time due, owing or incurred by any member of the Group to any Secured Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by the Chargor of a payment, prepayment, repayment, redemption, defeasance or discharge of those liabilities or obligations on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

**"Security Assets"** means the assets which from time to time are, or are expressed to be, the subject of the Security Interests or any part of those assets.

**"Security Interests"** means all or any of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed.

**"Shares"** means, in relation to the Chargor, all its right, title and interest from time to time in and to:

- (a) the shares described in Schedule 2 (*Shares*) and any other shares issued in the future by any person identified in Schedule 2 (*Shares*) as issuer of any such shares;
- (b) warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares;
- (c) any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares,

in each case including any rights against any custodian, nominee, clearing system or other similar person holding any such right, title or interest on its behalf, and all dividends and other Related Rights.

## 1.2 Incorporation of defined terms

Unless a contrary indication appears, terms defined in the Facility Agreement have the same meaning in this Deed.

## 1.3 Construction

- (a) Any reference in this Deed to a **"Finance Document"** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerously) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Finance Document or other agreement or instrument.
- (b) The provisions in Clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed, except that references to the Facility Agreement shall be construed as references to this Deed.

## 1.4 Third Party Rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **"Third Parties Act"**) to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver or Delegate may, subject to this Clause 1.4 and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

## 2. CREATION OF SECURITY INTERESTS

The Chargor, with full title guarantee and as security for the payment of all Secured Liabilities, charges by way of first mortgage, all its Shares in favour of the Security Agent.

### **3. RESTRICTIONS ON DEALING WITH SECURITY ASSETS**

#### **3.1 Negative pledge**

The Chargor shall not create or permit to subsist any Security or Quasi Security over any Security Asset, except as permitted by the Facility Agreement.

#### **3.2 Disposals**

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Security Asset, except as permitted by the Facility Agreement.

### **4. FURTHER ASSURANCE**

(a) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

- (i) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Security Interests) or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to the Finance Documents or by law; or
- (ii) to confer on the Security Agent or confer on the Secured Parties Security over any Shares owned by the Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
- (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Interests.

(b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Deed.

### **5. SHARES**

#### **5.1 Notification**

The Chargor shall promptly notify the Security Agent of:

- (a) its acquisition of, or agreement to acquire, any Share;
- (b) the declaration, payment, receipt, offer or issue of any Related Right in respect of any Share excluding any cash dividend; and
- (c) any intention of which it becomes aware for any Share to be held in uncertificated form and to be transferable through CREST.

## 5.2 Documents

The Chargor shall on the date of this Deed and, where Shares are acquired by it after the date of this Deed, on the date of that acquisition:

- (a) deliver to the Security Agent, or as it directs, and the Security Agent shall be entitled to hold, all certificates and other documents of title or evidence of ownership in relation to its Shares; and
- (b) deliver to the Security Agent, or as it directs, and the Security Agent shall be entitled to hold, transfers of the Shares, each executed in blank, and other documents relating to the Shares reasonably required by the Security Agent.

## 5.3 Voting before enforcement

At any time prior to the occurrence of a Declared Default which is continuing the Chargor shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Share provided that:

- (a) it does so for a purpose not inconsistent with any Finance Document; and
- (b) the exercise of or, as the case may be, the failure to exercise those rights would not have an adverse effect on the value of the relevant Shares or the Security Assets or the ability of the Security Agent to realise the Security Interests and would not otherwise prejudice the interests of any Secured Party under any Finance Document.

## 5.4 Voting after enforcement

- (a) Subject to paragraph (b) below, at any time while a Declared Default is continuing and the Security Agent has given notice to the Chargor that it intends to exercise its rights under this Clause 5.4:
  - (i) the Security Agent or the Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Share; and
  - (ii) the Chargor shall comply or procure the compliance with any directions of the Security Agent or the Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Security Agent or the Receiver such forms of proxy as it requires with a view to enabling such person as it selects to exercise those rights.
- (b) The Security Agent or Receiver shall not be entitled to exercise or direct the exercise of the voting and other rights attached to any Share, if and to the extent that:
  - (i) a notifiable acquisition would, as a consequence, take place under section 6 of the National Security and Investment Act 2021 (the "**NSI Act**") and any regulations made under the NSI Act; and
  - (ii) either:
    - (A) the Secretary of State has not approved that notifiable acquisition in accordance with the NSI Act; or

- (B) the Secretary of State has approved that notifiable acquisition in accordance with the NSI Act but there would, as a consequence, be a breach of the provisions of a final order made in relation to that notifiable acquisition under the NSI Act.

**5.5 Cash dividends before enforcement**

At any time prior to the occurrence of a Declared Default which is continuing the Chargor shall be entitled to retain any cash dividend deriving from the Shares.

**5.6 Cash dividends after enforcement**

At any time while a Declared Default is continuing the Chargor shall hold any cash dividend deriving from the Shares received by it on trust for the Secured Parties and transfer or pay the same immediately to the Security Agent or as it may direct.

**5.7 Shares held by nominees of the Chargor**

If any Share is held in the name of a nominee of the Chargor, the Chargor shall promptly upon request by the Security Agent deliver to it an irrevocable power of attorney, expressed to be given by way of security and executed as a deed by that nominee. That power of attorney shall appoint the Security Agent, each Receiver and each Delegate, as the attorney of the holder and shall be in such form as the Security Agent requires.

**5.8 Communications**

- (a) The Chargor shall promptly upon request by the Security Agent deliver to it a copy of each circular, notice, report, set of accounts or other document received by it or its nominee relating to any of its Shares.
- (b) The Chargor shall promptly deliver to the Security Agent a copy of, and comply with, each request for information which is made under section 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares.
- (c) If the Chargor does not comply with paragraph (b) above, the Security Agent may provide any information it has on behalf of the Chargor.

**5.9 Payment of calls**

- (a) The Chargor shall promptly pay all calls or other payments in respect of any of its Shares.
- (b) If the Chargor does not comply with paragraph (a) above, the Security Agent may pay that call or other payment on behalf of the Chargor.
- (c) The Chargor shall immediately on request by the Security Agent reimburse the Security Agent for any payment made by the Security Agent under this Clause 5.9.

**6. REPRESENTATIONS AND WARRANTIES**

The Chargor:

- (a) makes the representations and warranties set out in Clause 20 (*Representations*) of the Facility Agreement to the Security Agent on the date of this Deed; and

- (b) represents and warrants to the Security Agent that, except as permitted under the Facility Agreement:
- (i) it is the sole owner of the Shares and the Shares represent the whole of the issued share capital of Baxi Heating UK Limited;
  - (ii) the Shares are free from any lien, charge, encumbrance or option;
  - (iii) the Chargor is lawfully entitled to create the security constituted by this Deed;
  - (iv) it is a private company with limited liability incorporated in England and Wales;
  - (v) the obligations expressed to be assumed by it hereunder are legal, valid, binding and enforceable obligations;
  - (vi) the entry into and performance by it of its obligations hereunder will not:
    - (A) conflict with any law or regulation applicable to it;
    - (B) conflict with its constitutional documents; or
    - (C) conflict with any material agreement or instrument binding upon it or any of its assets;
  - (vii) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated hereunder;
  - (viii) it has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from Baxi Heating UK Limited; and
  - (ix) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of the Shares.
- (c) undertakes to the Security Agent that:
- (i) it shall not create or permit to subsist any mortgage, charge, pledge, lien or other security interest over the Shares;
  - (ii) it shall not sell, transfer or otherwise dispose of the Shares; and
  - (iii) it shall not and shall procure that Baxi Heating UK Limited will not vary any of its constitutional documents in any respect which would be reasonably likely to be materially adverse to the interests of the Security Agent.

## **7. ENFORCEMENT OF SECURITY INTERESTS**

### **7.1 When enforceable**

The Security Interests shall be immediately enforceable on and at any time after the occurrence of a Declared Default which is continuing.

## **7.2 Enforcement action**

At any time after the Security Interests have become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Security Interests in any manner it sees fit or as directed by the Majority Lenders.

## **7.3 Law of Property Act powers**

At any time after the Security Interests have become enforceable, the powers, authorities and discretions conferred by the Law of Property Act on mortgagees, including the power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act, as varied and extended by this Deed, shall be immediately exercisable.

## **8. LAW OF PROPERTY ACT**

### **8.1 Section 101**

The power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act on mortgagees, as varied and extended by this Deed, shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on the date of this Deed and shall be exercisable in accordance with Clause 7.3 (*Law of Property Act powers*).

### **8.2 Section 103**

Section 103 (*Regulation of exercise of power of sale*) of the Law of Property Act shall not apply to this Deed.

### **8.3 Section 93**

Section 93 (*Restriction on consolidation of mortgages*) of the Law of Property Act shall not apply to this Deed.

## **9. APPOINTMENT OF RECEIVERS**

### **9.1 Appointment of Receivers**

If:

- (a) requested by the Chargor; or
- (b) the Security Interests have become enforceable,

without any notice or further notice, the Security Agent may, by deed or otherwise in writing signed by the Security Agent or any person authorised for this purpose by the Security Agent, appoint one or more persons to be a Receiver of all or any part of the Security Assets. The Security Agent may similarly remove any Receiver and appoint any person instead of any Receiver. If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally.

### **9.2 Agent of Chargor**

Any Receiver shall be the agent of the Chargor for all purposes. The Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions and defaults.

### 9.3 Remuneration of Receivers

The Security Agent may determine the remuneration of any Receiver and the maximum rate specified in section 109(6) (*Appointment, powers, remuneration and duties of receiver*) of the Law of Property Act shall not apply. The Security Agent may direct payment of that remuneration out of moneys it receives as Receiver. The Chargor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver.

## 10. RIGHTS AND LIABILITIES OF SECURITY AGENT AND RECEIVERS

### 10.1 Rights of Receivers

Any Receiver appointed pursuant to Clause 9 (*Appointment of Receivers*) shall have:

- (a) the rights set out in Schedule 1 (*Rights of Receivers*); and
- (b) the rights, powers, privileges and immunities conferred by law, including the rights, powers, privileges and immunities conferred by the Law of Property Act and the Insolvency Act on receivers or receivers and managers.

### 10.2 Rights of Security Agent

At any time after the Security Interests have become enforceable, to the fullest extent permitted by law, any rights conferred by any Finance Document or by law upon a Receiver may be exercised by the Security Agent, whether or not the Security Agent shall have appointed a Receiver of all or any part of the Security Assets.

### 10.3 Delegation

The Security Agent may delegate in any manner to any person any rights exercisable by the Security Agent under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Agent thinks fit and the Security Agent may pass confidential information to any such delegate in accordance with Clause 40 (*Confidential Information*) of the Facility Agreement.

### 10.4 Financial collateral arrangement

- (a) To the extent that this Deed constitutes a "financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Financial Collateral Regulations**")) the Security Agent shall have the right at any time after the Security Interests have become enforceable to appropriate any Security Asset which constitutes "financial collateral" (as defined in the Financial Collateral Regulations ("**Financial Collateral**")) in such manner as it sees fit, in or towards satisfaction of the Secured Liabilities in accordance with the Financial Collateral Regulations.
- (b) If the Security Agent is required to value any Financial Collateral for the purpose of paragraph (a) above, the value shall be:
  - (i) in the case of cash, its face value at the time of appropriation; and
  - (ii) in the case of financial instruments or other Financial Collateral, their market value at the time of appropriation as determined (after appropriation) by the Security Agent by reference to a public index or other applicable generally recognised source or such other process as the Security Agent may select, including a valuation carried out by an

independent investment bank, firm of accountants or other valuers appointed by the Security Agent,

as converted, where necessary, into the currency in which the Secured Liabilities are denominated at a market rate of exchange prevailing at the time of appropriation selected by the Security Agent. The Parties agree that the methods of valuation set out in this paragraph (b) are commercially reasonable for the purpose of the Financial Collateral Regulations.

**10.5 Possession**

If the Security Agent, any Receiver or any Delegate takes possession of the Security Assets, it may at any time relinquish possession.

**10.6 Security Agent's liability**

Neither the Security Agent, any Receiver nor any Delegate shall, either by reason of taking possession of the Security Assets or for any other reason and whether as mortgagee in possession or otherwise, be liable for:

- (a) any costs, losses, liabilities or expenses relating to the realisation of any Security Assets; or
- (b) any act or omission of the Security Agent, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Security Assets or in connection with the Finance Documents, unless directly caused by its gross negligence or wilful misconduct.

**11. ORDER OF APPLICATION**

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the order of priority provided for in clause 28.1 (*Order of application*) of the Facility Agreement.

**12. POWER OF ATTORNEY**

**12.1 Appointment**

The Chargor by way of security irrevocably appoints the Security Agent, each Receiver and each Delegate severally to be its attorney (with full power of substitution), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

- (a) to do anything which the Chargor is obliged to do under any Finance Document to which it is party but has failed to do (including to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s))); and
- (b) to exercise any of the rights conferred on the Security Agent, any Receiver or any Delegate in relation to the Security Assets or under any Finance Document or under any law.

## **12.2 Ratification**

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 12.1 (*Appointment*).

## **13. PROTECTION OF THIRD PARTIES**

No purchaser or other person dealing with the Security Agent, any Receiver or its agents shall be concerned to enquire:

- (a) whether the powers conferred on the Security Agent, any Receiver or its agents have arisen;
- (b) whether the powers conferred on the Security Agent, any Receiver or its agents have become exercisable;
- (c) whether any consents, regulations, restrictions or directions relating to such powers have been obtained or complied with;
- (d) whether the Security Agent, any Receiver or its agents is acting within such powers;
- (e) whether any money remains due under the Finance Documents and the receipt in writing of the Security Agent, any Receiver or its agents shall be sufficient discharge to that purchaser or other person;
- (f) as to the propriety or validity of acts purporting or intended to be in exercise of any such powers; or
- (g) as to the application of any money paid to the Security Agent, any Receiver or its agents.

## **14. SAVING PROVISIONS**

### **14.1 Continuing Security**

Subject to Clause 15 (*Discharge of Security*), the Security Interests are continuing Security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

### **14.2 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Chargor and each Obligor and the Security Interests will continue or be reinstated as if the discharge, release or arrangement had not occurred.

### **14.3 Waiver of defences**

Neither the obligations of the Chargor under this Deed nor the Security Interests will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any Finance Document or any of the Security Interests (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor, any Obligor or other person;
- (b) the release of the Chargor, any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### **14.4 Chargor Intent**

Without prejudice to the generality of Clause 14.3 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security Interests shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **14.5 Immediate recourse**

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

#### **14.6 Appropriations**

Until all amounts which may be or become payable by the Obligors or the Chargor under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

#### **14.7 Deferral of Chargor's rights**

Until all amounts which may be or become payable by the Obligors or the Chargor under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other provider of Security for or guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Obligor had given a guarantee, undertaking or indemnity;
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors or the Chargor under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 11 (*Order of application*).

#### **14.8 Additional security**

The Security Interests are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

#### **14.9 Tacking**

Each Secured Party shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

**15. DISCHARGE OF SECURITY**

**15.1 Final redemption**

Subject to Clause 15.2 (*Retention of security*), if the Security Agent is satisfied that all amounts which may be or become payable by the Obligors or the Chargor under or in connection with the Finance Documents have been irrevocably paid in full and that all facilities which might give rise to Secured Liabilities have terminated, the Security Agent shall at the request and cost of the Chargor release, reassign or discharge (as appropriate) the Security Assets from the Security Interests, without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

**15.2 Retention of security**

If the Security Agent considers that any amount paid or credited to any Secured Party under any Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

**16. COSTS AND EXPENSES**

**16.1 Expenses**

In so far as it relates to the Security Agent, Clause 18 (*Costs and Expenses*) of the Facility Agreement shall apply as if it were set out in full.

**16.2 VAT**

Clause 14.7 (VAT) of the Facility Agreement shall apply as if it were set out in full in this Deed, save that references in that Clause to "Finance Party" shall be treated in this Deed as being to "Secured Party, Receiver or Delegate".

**17. INDEMNITY**

In so far as it relates to the Security Agent, Clause 16.3 (*Indemnity to the Agent and Security Agent*) of the Facility Agreement shall apply as if it were set out in full.

**18. PAYMENTS**

**18.1 Undertaking to pay**

The Chargor shall pay each of the Secured Liabilities when due in accordance with its terms.

**18.2 Demands**

Any demand for payment made by any Secured Party shall be valid and effective even if it contains no statement of the relevant Secured Liabilities or an inaccurate or incomplete statement of them.

**18.3 Payments**

All payments by the Chargor under this Deed shall be made to such account, with such financial institution and in such other manner as the Security Agent may direct.

**18.4 Continuation of accounts**

- (a) At any time after a Secured Party has received or is deemed to have received notice of any subsequent Security affecting all or any part of the Security Assets of the Chargor, that Secured

Party may open a new account in the name of the Chargor (whether or not it permits any existing account to continue).

- (b) If that Secured Party does not open such a new account, it shall be treated as if it had done so when the relevant notice was received or deemed to have been received and as from that time all payments made by or on behalf of the Chargor to that Secured Party shall be credited or be treated as having been credited to the relevant new account and not as having been applied in reduction of the Secured Liabilities as at the time the relevant notice was received or deemed to have been received.

#### **18.5 Contingencies**

If all or any part of the Security Interests are enforced at a time when no amount is due under the Finance Documents but any such amount may or will become due, the Security Agent or the Receiver may pay the proceeds of any recoveries effected by it into a suspense account.

### **19. REMEDIES, WAIVERS AND DETERMINATIONS**

#### **19.1 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, Receiver or Delegate, any right or remedy under any Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No waiver or election to affirm any of the Finance Documents on the part of any Secured Party, Receiver or Delegate shall be effective unless in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

#### **19.2 Certificates and Determinations**

Any certification or determination by the Security Agent or any Receiver of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### **20. SEPARATE AND INDEPENDENT OBLIGATIONS**

The Security created by the Chargor by or in connection with any Finance Document is separate from and independent of the Security created or intended to be created by any other Obligor or other provider of Security by or in connection with any Finance Document.

### **21. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

### **22. BAIL-IN**

#### **22.1 Contractual recognition of bail-in**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject

to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
  - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

## 22.2 Bail-in definitions

In this Clause 22:

**"Article 55 BRRD"** means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

**"Bail-In Action"** means the exercise of any Write-down and Conversion Powers.

**"Bail-In Legislation"** means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and
- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

**"EEA Member Country"** means any member state of the European Union, Iceland, Liechtenstein and Norway.

**"EU Bail-In Legislation Schedule"** means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

**"Resolution Authority"** means any body which has authority to exercise any Write-down and Conversion Powers.

**"UK Bail-In Legislation"** means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**"Write-down and Conversion Powers"** means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

- (b) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation:
  - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (ii) any similar or analogous powers under that Bail-In Legislation.

## 23. **GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

## 24. **ENFORCEMENT**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 24 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**This Deed has been delivered on the date stated at the beginning of this Deed.**

**SCHEDULE 1**  
**RIGHTS OF RECEIVERS**

Any Receiver appointed pursuant to Clause 9 (*Appointment of Receivers*) shall have the right, either in its own name or in the name of the Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

(a) **Enter into possession**

to take possession of, get in and collect all or any part of the Security Assets, and to require payment to it or to any Secured Party of any dividends;

(b) **Deal with Security Assets**

to sell, transfer, assign, exchange, hire out, lend, licence or otherwise dispose of or realise all or any part of the Security Assets to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments or deferred);

(c) **Hive down**

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or any rights attaching thereto;

(d) **Borrow money**

to borrow or raise money either unsecured or on the security of all or any part of the Security Assets (either in priority to the Security Interests or otherwise);

(e) **Rights of ownership**

to manage and use all or any part of the Security Assets and to exercise and do all such rights and things as the Receiver would be capable of exercising or doing if it were the absolute beneficial owner of all or any part of the Security Assets;

(f) **Legal actions**

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings relating to all or any part of the Security Assets;

(g) **Claims**

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or relating to all or any part of the Security Assets;

(h) **Redemption of Security**

to redeem any Security (whether or not having priority to the Security Interests) over all or any part of the Security Assets and to settle the accounts of any person with an interest in all or any part of the Security Assets;

(i) **Delegation**

to delegate in any manner to any person any rights exercisable by the Receiver under any Finance Document, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) as it thinks fit, and to pass confidential information to any such delegate;

(j) **Insolvency Act**

to exercise all powers set out in Schedule 1, Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule 2, as the case may be, after the date of this Deed;

(k) **Receipts**

to give a valid receipt for any moneys and do anything which may be necessary or desirable for realising all or any part of Security Assets; and

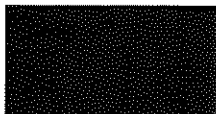
(l) **Other powers**

to do anything else it may think fit for the realisation of all or any part of the Security Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document to which the Chargor is party, the Law of Property Act or the Insolvency Act.

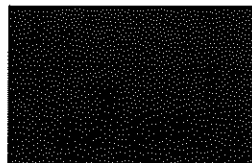
**SCHEDULE 2**  
**SHARES**

<b>Name of Issuer</b>	<b>No. and Type of Shares</b>	<b>Held in Certificated Form</b>
Baxi Heating UK Limited	200,000,000 ordinary shares	Yes

**SIGNED** as a **DEED** by **BAXI HOLDINGS LIMITED**  
acting by a Director in the presence of a witness



.....



.....  
Director

Witness:  
Name: Rowsonara Uddin  
Address: Brooks House, Coventry Road, Warwick,  
CV34 4LL



Chargor's Address:  
Chargor's Fax No:  
Attention:

**SIGNED** for and on behalf of **ING BANK N.V.**

.....

.....

**SIGNED** as a **DEED** by **BAXI HOLDINGS LIMITED**  
acting by a Director in the presence of a witness

.....  
Witness

Name:

Address:

Occupation:

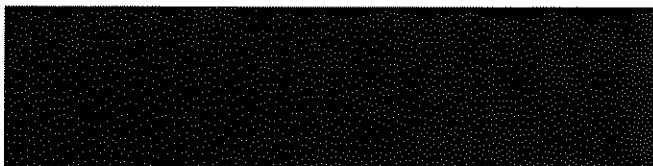
Chargor's Address:

Chargor's Fax No:

Attention:

.....  
Director

**SIGNED** for and on behalf of **ING BANK N.V.**



H.R. van Ras  
Authorised signatory



M.S. Preuss