



Registration of a Charge

Company name: **NON-STANDARD FINANCE PLC**

Company number: **09122252**



X5A7P8SJ

Received for Electronic Filing: **30/06/2016**

Details of Charge

Date of creation: **23/06/2016**

Charge code: **0912 2252 0002**

Persons entitled: **SHAWBROOK BANK LIMITED**

Brief description: **N/A**

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: **TRAVERS SMITH LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9122252

Charge code: 0912 2252 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd June 2016 and created by NON-STANDARD FINANCE PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th June 2016 .

Given at Companies House, Cardiff on 1st July 2016

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

DATED 23 JUNE 2016

NON-STANDARD FINANCE PLC

as MORTGAGOR

in favour of

SHAWBROOK BANK LIMITED

as SECURITY AGENT

SHARE CHARGE

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION	1
2. LIMITED RECOURSE AND MAXIMUM AMOUNT RECOVERABLE	5
3. PAYMENT OF SECURED OBLIGATIONS	5
4. CHARGING AND ASSIGNMENT PROVISIONS	6
5. PERFECTION OF SECURITY	6
6. FURTHER ASSURANCE	7
7. REPRESENTATIONS AND WARRANTIES	8
8. UNDERTAKINGS	11
9. SHARES AND RELATED RIGHTS	13
10. SPECIFIC CONTRACTS	15
11. ENFORCEMENT OF SECURITY	16
12. EXTENSION AND VARIATION OF THE ACT	17
13. APPOINTMENT OF RECEIVER	17
14. POWERS OF RECEIVER	18
15. APPLICATION OF MONIES	19
16. PROTECTION OF PURCHASERS	19
17. POWER OF ATTORNEY	19
18. EFFECTIVENESS OF SECURITY	20
19. RELEASE OF SECURITY	23
20. SET-OFF	23
21. SUBSEQUENT SECURITY INTERESTS	23
22. ASSIGNMENT	23
23. NOTICES	24
24. DISCRETION AND DELEGATION	24
25. COUNTERPARTS	24
26. GOVERNING LAW	24
27. JURISDICTION	24
Schedule 1 SHARES	26
Schedule 2 FORM OF NOTICE OF ASSIGNMENT OF SPECIFIC CONTRACT	27

THIS DEED is dated 23 June 2016 and made between:

- TS
- (1) **NON-STANDARD FINANCE PLC**, a company registered in England and Wales having its registered office at 5th Floor, 6 St Andrew Street, London EC4A 3AE and with company registration number 01422252 (the **Mortgagor**) in favour of
 - (2) **SHAWBROOK BANK LIMITED** as security trustee for the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the **Security Agent**, which expression shall include any person for the time being appointed as security agent, trustee or as an additional trustee for the purpose of, and in accordance with, the Intercreditor Agreement).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this Deed, have the same meaning when used in this Deed and in addition:

Acquisition Agreement means the share purchase agreement dated 7 July 2015 relating to the sale by S & U plc and purchase by the Mortgagor of all the issued shares in the capital of the Borrower and made between the Mortgagor and S & U plc.

Act means the Law of Property Act 1925.

Borrower means S.D. Taylor Limited, a company registered in England and Wales having its registered office at 5th Floor, 6 St Andrew Street, London EC4A 3AE and with company registration number 00550055.

Collateral Rights means all rights, powers and remedies of the Security Agent provided by or pursuant to this Deed or by law.

Company means Non-Standard Finance Subsidiary II Limited, a company registered in England and Wales having its registered office at 5th Floor, 6 St Andrew Street, London EC4A 3AE and with company registration number 09702872.

Creditors' Process means, in relation to the Mortgagor, any expropriation, attachment, sequestration, distress or execution which affects any asset or assets of the Mortgagor having an aggregate value of £250,000 or more and is not discharged within 60 days.

Derivative Assets means all assets derived from any of the Shares including all allotments, accretions, offers, rights, dividends, interest, income, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Shares and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof.

Disclosure Letter means the letter dated 7 July 2015 provided by S & U plc to the Mortgagor in connection with the Acquisition Agreement.

Enforcement Event means the occurrence of an event which results in the Security created by or pursuant to this Deed becoming enforceable in accordance with Clause 11.1 (*Enforcement*).

Event of Default has the meaning given to it in the Facility Agreement.

Facility Agreement means the facility agreement dated on or about the date of this Deed between, amongst others, Shawbrook Bank Limited (as the Arranger, the Security Agent, the Agent and the Original Lender), the Company as parent and the Borrower as borrower, as amended, varied, novated or supplemented from time to time.

Finance Documents has the meaning given to it in the Facility Agreement.

Group means the Company and each of its Subsidiaries (including, for the avoidance of doubt, the Borrower) for the time being.

Insolvency Action means, in relation to the Mortgagor, any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Mortgagor;
- (b) a composition, compromise, assignment or arrangement with any creditor of the Mortgagor;
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Mortgagor or any of its assets; or
- (d) enforcement of any Security over any assets of the Mortgagor,

or any analogous procedure or step is taken in any jurisdiction.

Insolvency Event means, in relation to the Mortgagor:

- (a) the Mortgagor:
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) suspends or threatens to suspend making payments on any of its debts; or
 - (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness;
- (b) the value of the assets of the Mortgagor is less than its liabilities (taking into account contingent and prospective liabilities); and/or
- (c) a moratorium is declared in respect of any indebtedness of the Mortgagor. If a moratorium occurs, the ending of the moratorium will not remedy any Insolvency Event caused by that moratorium.

Intercreditor Agreement means the intercreditor agreement dated on or about the date of this Deed between, amongst others, the Borrower and the Company as Original Debtors and Intra-Group Lenders (each as defined therein), the Agent, the Security Agent, the Senior Lender (each as defined therein) and the Mortgagor as Subordinated Lender (as defined therein), as amended, varied, novated or supplemented from time to time.

Management Scheme Shares means non-voting shares issued by the Company to members of the Group's management as part of a management incentive scheme.

Mortgaged Property means all the assets and undertaking of the Mortgagor which from time to time are the subject of the security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed.

Mortgagor Material Adverse Effect means a material adverse effect on the validity or enforceability of, or the effectiveness or ranking of, the Security granted or purporting to be granted pursuant to this Deed or the rights or remedies of any Finance Party under this Deed.

Original Jurisdiction means the jurisdiction under whose laws the Mortgagor is incorporated as at the date of this Agreement.

Permitted Security means any lien arising by operation of law and in the ordinary course of business and not as a result of any default or omission by the Mortgagor.

Permitted Transaction means any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Finance Documents.

PSC Notice means a request for information made pursuant to sections 790D and 790E of the Companies Act 2006.

PSC Restrictions Notice means a "restrictions notice" as defined in Paragraph 1(2) of Schedule 1B of the Companies Act 2006.

Receiver means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment.

Related Rights means, in relation to any asset (including the Shares and each Specific Contract):

- (a) the proceeds of sale of all or any part of that asset;
- (b) all rights, benefits, offers, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset;
- (c) any monies and proceeds paid or payable in respect of that asset; and
- (d) any Derivative Assets.

Relevant Jurisdiction means, in relation to any asset (including the Shares and each Specific Contract):

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Security Interests is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfect of this Deed.

Repeating Representations means each of the representations set out in Clause 7.2 (*Status*) to Clause 7.7 (*Governing law and enforcement*), Clause 7.12 (*Ranking*), Clause 7.13 (*Legal and beneficial ownership*) and Clause 7.16 (*Centre of main interests and establishments*).

Secured Obligations means all obligations covenanted to be discharged by the Mortgagor in Clause 3.1 (*Covenant to pay*).

Secured Parties means the Security Agent, any Receiver (or delegate of any Receiver pursuant to the exercise of powers under Clause 24.2 (*Delegation*)), the Arranger, the Agent, the Lenders, any Hedge Counterparty and any other Finance Parties from time to time party to the Intercreditor Agreement.

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:

- (a) all of the shares in the capital of the Company from time to time other than any Management Scheme Shares (in each case whether held directly by, to the order or on behalf of the Mortgagor or by any trustee, nominee, fiduciary or clearance system);
- (b) all rights to subscribe for, convert into, or otherwise acquire such shares;
- (c) where such shares are held by a trustee, nominee, fiduciary or clearance system, all rights against such persons; and
- (d) including, without limitation, those shares specified in Schedule 1.

Specific Contracts means the Acquisition Agreement, any Subordinated Loan Agreement, and any other document designated by the Security Agent and the Mortgagor as a Specific Contract from time to time.

Subordinated Loan Agreement means any loan agreement pursuant to which the Mortgagor agrees to make a loan or loans available to any member of the Group (which shall include, without limitation, any loans made available by the Mortgagor to the Borrower pursuant to and in accordance with limb (b) of Permitted Seasonal Injection (as such term is defined in the Facility Agreement)).

VAT value added tax or any similar tax substituted therefore.

1.2 Interpretation

In this Deed:

- 1.2.1** the rules of interpretation contained in clause 1.2 (*Construction*) of the Facility Agreement shall apply to the construction of this Deed;
- 1.2.2** any reference to the **Security Agent**, the **Agent**, the **Secured Parties**, the **Mortgagor** or any other person shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests; and
- 1.2.3** references in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed.

1.3 Third Party Rights

- 1.3.1** Unless expressly provided to the contrary in this Deed a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 1.3.2** Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.4 Inconsistency

In the event of any inconsistency, conflict and/or contradiction arising between any of the provisions of this Deed and the Facility Agreement or the Intercreditor Agreement, the provisions of the Facility Agreement or the Intercreditor Agreement (as the case may be) shall prevail.

1.5 Deed

It is intended that this Deed takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2. LIMITED RECOURSE AND MAXIMUM AMOUNT RECOVERABLE

Notwithstanding any other provision of this Deed or any other Finance Document, the only amounts recoverable under this Deed shall be amounts recoverable by the Security Agent from the enforcement of the Security Interests in accordance with this Deed. Recourse against or to the Mortgagor in respect of the Secured Obligations is limited to the right to enforce the Security Interests and neither the Security Agent nor any other Secured Party shall have any recourse to any assets of the Mortgagor which are not Charged Property. The liability of the Mortgagor to the Security Agent shall be limited to the proceeds of enforcement of the Security Interests and shall only be satisfied from the Charged Property.

3. PAYMENT OF SECURED OBLIGATIONS

3.1 Covenant to pay

The Mortgagor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it shall, subject to Clause 2 (*Limited Recourse and Maximum Amount*

Recoverable), discharge all obligations, as and when they fall due in accordance with their terms, which any Obligor may at any time have to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including this Deed) including any liabilities in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). Subject to Clause 2 (*Limited Recourse and Maximum Amount Recoverable*), the Mortgagor shall pay to the Security Agent when due and payable every sum at any time owing, due or incurred by the Obligors or the Mortgagor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such liabilities **provided that** neither such covenant nor the security constituted by this Deed shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

3.2 Interest on demands

If the Mortgagor fails to pay any sum on the due date for payment of that sum the Mortgagor shall, subject to Clause 2 (*Limited Recourse and Maximum Amount Recoverable*), pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined by and in accordance with the provisions of clause 10.3 (*Default Interest*) of the Facility Agreement.

4. CHARGING AND ASSIGNMENT PROVISIONS

4.1 Shares and Related Rights

The Mortgagor hereby charges and agrees to mortgage with full title guarantee in favour of the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, all its right, title and interest, from time to time in and to the Shares and all Related Rights.

4.2 Assignments

The Mortgagor hereby assigns with full title guarantee to the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, subject to a proviso for re-assignment on redemption, all the Mortgagor's right, title and interest, both present and future, from time to time in and to (subject to obtaining any necessary consent to that assignment from any third party and without prejudice to the Mortgagor's obligations under Clause 6.2 (*Consent of third parties*)) each of the Specific Contracts and, in each case, all Related Rights.

5. PERFECTION OF SECURITY

5.1 Delivery of certificates and other documents

5.1.1 The Mortgagor shall as soon as reasonably practicable following the date of this Deed and in any event within five Business Days of the date of this Deed, and if Shares are issued or transferred to it after the date of this Deed, as soon

as reasonably practicable following (and in any event within five Business Days) after the date of the receipt of such Shares, deposit with the Security Agent (or procure the deposit of):

5.1.1.1 all certificates or other documents evidencing title to such Shares; and

5.1.1.2 stock transfer forms in such form as the Security Agent may reasonably require with the name of the transferee, the consideration and the date kept blank but otherwise duly completed and executed by or on behalf of the Mortgagor in relation to such Shares.

5.1.2 The Mortgagor shall, promptly upon the accrual, offer or issue of any Derivative Assets (other than, for the avoidance of doubt, any dividend, distribution, interest, income or other monies arising from the Shares and/or the Related Rights referred to in Clause 9.1.1 (*Dividends and voting rights: before an Enforcement Event*)), notify the Security Agent of that occurrence and deliver to the Security Agent (or procure the prompt delivery to the Security Agent of):

5.1.2.1 all certificates or other documents evidencing title (if any) in respect of such Derivative Assets; and

5.1.2.2 such stock transfer forms or other instruments of transfer with the name of the transferee, the consideration and the date left blank (but otherwise duly completed and executed by or on behalf of the Mortgagor) in respect of such Derivative Assets (if any) as the Security Agent may reasonably request.

5.2 Notices of assignment

The Mortgagor shall deliver to the relevant counterparty (with a copy to the Security Agent), in respect of each Specific Contract assigned pursuant to Clause 4.2 (*Assignments*), a notice of assignment substantially in the form set out in Schedule 2 (*Form of Notice of Assignment of Specific Contract*) (or otherwise in a form satisfactory to the Mortgagor and the Security Agent) duly executed by it promptly following execution of this Deed and in any event within three Business Days of the same or promptly upon the Mortgagor entering into that Specific Contract and in any event within three Business Days of the same.

6. FURTHER ASSURANCE

6.1 Necessary action

The Mortgagor shall at its own expense take all such action as is available to it (including making all filings and registrations) as the Security Agent or any Receiver may reasonably request for the purpose of the creation, perfection, protection, confirmation or maintenance of any security created or intended to be created in favour of the Security Agent or any Receiver by or pursuant to this Deed.

6.2 Consent of third parties

The Mortgagor shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Security Agent) as soon as reasonably practicable any consents which are necessary to enable the assets of the Mortgagor to be the subject of an effective assignment pursuant to Clause 4.2 (*Assignments*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such assignment and the Mortgagor shall promptly deliver a copy of each consent to the Security Agent.

6.3 Implied covenants for title

The obligations of the Mortgagor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

6.4 Value of security

Save as expressly permitted by the Finance Documents, the Mortgagor shall not intentionally do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the Security Interests or adversely affect the value of any of the Mortgaged Property, nor shall it exercise any of its rights and powers in relation to the Mortgaged Property in any manner which, in the reasonable opinion of the Security Agent, would prejudice the value of, or the ability of the Security Agent to realise, the Security Interests.

7. REPRESENTATIONS AND WARRANTIES

7.1 General

The Mortgagor makes the representations and warranties set out in this Clause 8 to the Security Agent (on behalf of itself and the other Finance Parties).

7.2 Status

7.2.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.

7.2.2 It has the power to own its assets and carry on its business as it is being conducted.

7.3 Binding obligations

Subject to the Legal Reservations and the requirements specified at the end of Clause 7.9 (*No filing or stamp taxes*):

7.3.1 the obligations expressed to be assumed by it in this Deed and each other Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; and

7.3.2 (without limiting the generality of paragraph 7.3.1 above), this Deed creates the security interests which this Deed purports to create and those security interests are valid and effective.

7.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and each other Transaction Document to which it is a party and the granting of the Security Interests do not and will not conflict with:

7.4.1 any law or regulation applicable to it;

7.4.2 its constitutional documents; or

7.4.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

7.5 Power and authority

7.5.1 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 each other Transaction Document to which it is a party and the transactions contemplated by this Deed and each other Transaction Document to which it is a party.

7.5.2 No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.

7.6 Validity and admissibility in evidence

All Authorisations required or desirable:

7.6.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed and each other Transaction Document to which it is a party; and

7.6.2 to make this Deed and each other Transaction Document to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect except any Authorisation referred to in Clause 7.9 (*No filing or stamp taxes*), which Authorisations will be obtained or effected promptly after the date of this Deed (and in any event within the prescribed time limit therefor).

7.7 Governing law and enforcement

7.7.1 The choice of governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

7.7.2 Any judgment obtained in relation to this Deed in the jurisdiction of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

7.8 Insolvency

No Insolvency Action or Creditors' Process has been taken or, to the knowledge of the Mortgagor, threatened in relation to the Mortgagor and none of the circumstances described in the definition of "Insolvency Event" applies to the Mortgagor.

7.9 No filing or stamp taxes

Under the laws of its Relevant Jurisdiction it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed except registration of particulars of this Deed at Companies House in England and Wales under section 859A of the Companies Act 2006 and payment of associated fees, which registrations and fees will be made and paid promptly after the date of this Deed (and in any event within the prescribed time limit therefor).

7.10 No proceedings pending or threatened

No litigation, arbitration, administrative proceedings or investigations or regulatory enquiry of, or before, any court, arbitral body or agency which are reasonably likely to have a Mortgagor Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it.

7.11 Security and Financial Indebtedness

No Security or Quasi-Security exists over the Charged Property, save for any Security or Quasi-Security which is:

7.11.1 Permitted Security; or

7.11.2 a Permitted Transaction.

7.12 Ranking

The Security Interests have or will have first ranking priority and are not subject to any prior ranking or *pari passu* ranking Security.

7.13 Legal and beneficial ownership

7.13.1 It is the sole legal and beneficial owner of the Charged Property (including the Shares specified in Schedule 1) free and clear from any security interest or other encumbrance other than under this Deed.

7.13.2 All the Shares are legally and beneficially owned by it free from any claims, third party rights or competing interests other than as permitted under Clause 8.2 (*Negative pledge*).

7.14 Shares

7.14.1 The Shares are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of the Company do not and could not restrict or inhibit any transfer of the Shares on creation or enforcement of the Security Interests. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of the Company (including any option or right of pre-emption or conversion).

- 7.14.2** It has not received a PSC Notice or a PSC Restrictions Notice in relation to the Shares.
- 7.14.3** It has not disposed of any interest in, or granted any rights (whether of pre-emption or otherwise) over, any of the Shares or the Related Rights nor agreed to do any of the same.
- 7.14.4** None of the Shares or Related Rights is the subject of any claim, assertion, right, action or other restriction or arrangement of whatever nature which does or may impinge upon the ownership of the same by the Mortgagor and the Shares and Related Rights are and will be fully paid up.

7.15 Acquisition Agreement, disclosures and other documents

- 7.15.1** The Acquisition Agreement contains all the material terms of the Acquisition.
- 7.15.2** There is no disclosure made in the Disclosure Letter which has or may have a material adverse effect on any of the information, opinions, intentions, forecasts and projects contained or referred to in the Information Package.
- 7.15.3** To the best of its knowledge, no representation or warranty (as qualified by the Disclosure Letter) given by any party to the Acquisition Agreement is untrue or misleading in any material respect.

7.16 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), its centre of main interests (as that term is used in Article 3(1) of the Regulation) is situated in the United Kingdom and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

7.17 Facility Agreement

It has received a copy of and understands the terms and conditions of, the Facility Agreement.

7.18 Times when representations made

- 7.18.1** All the representations and warranties in this Clause 7 (*Representations*) are made by the Mortgagor on the date of this Deed.
- 7.18.2** The Repeating Representations are deemed to be made by the Mortgagor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.
- 7.18.3** Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

8. UNDERTAKINGS

The undertakings in this Clause 8 (*Undertakings*) remain in force from the date of this Deed for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

8.1 Authorisations

The Mortgagor shall promptly:

8.1.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

8.1.2 supply certified copies to the Security Agent of:

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

8.1.2.1 enable it to perform its obligations under this Deed; and

8.1.2.2 ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

8.2 Negative pledge

8.2.1 The Mortgagor shall not, at any time during the subsistence of this Deed, create or permit to subsist any mortgage, charge, assignment by way of security, pledge, lien, hypothecation, right of set-off, reservation of title arrangement, preferential right (save as arising under the general laws for the protection of certain classes of creditors) or any trust, flawed asset or other arrangement having a similar effect to the granting of security or other security interest of any kind over all or any part of the Mortgaged Property.

8.2.2 Paragraph 8.2.1 does not apply to any Security or Quasi-Security which is:

8.2.2.1 Permitted Security; or

8.2.2.2 a Permitted Transaction.

8.3 Disposals

Except as permitted by the Finance Documents, the Mortgagor 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 all or any part of the Mortgaged Property including, without limitation, to:

8.3.1 execute any transfer or assignment of, or other right to use, all or any part of the Mortgaged Property; or

8.3.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Mortgaged Property; or

8.3.3 do, or omit to do, any other act or thing which may, in each case, adversely affect the ability of the Security Agent to exercise any of the Collateral Rights; or

- 8.3.4 lend or otherwise dispose of, or grant any rights (whether of pre-emption or otherwise) over, all or any part of the Mortgaged Property.

8.4 Amendments

- 8.4.1 The Mortgagor shall not amend, vary, novate, supplement, supersede, waive or terminate any term of a Transaction Document to which it is a party or any other document delivered by it to the Agent pursuant to clause 4.1 (*Initial Conditions Precedent*) of the Facility Agreement except in writing:

8.4.1.1 in accordance with clause 37 (*Amendments and Waivers*) of the Facility Agreement;

8.4.1.2 to the extent that that amendment, variation, novation, supplement, superseding, waiver or termination is permitted by the Intercreditor Agreement;

8.4.1.3 in a way which could not be reasonably expected materially and adversely to affect the interests of the Lenders.

- 8.4.2 The Mortgagor shall promptly supply to the Agent a copy of any document relating to any of the matters referred to in paragraphs 8.4.1.1 to 8.4.1.4 above.

8.5 Material contracts

The Mortgagor shall comply in all material respects with its obligations under each Transaction Document to which it is a party (other than each Finance Document).

8.6 Information

- 8.6.1 The Mortgagor shall supply to the Security Agent (in sufficient copies for all the Lenders, if the Security Agent so requests) as soon as reasonably practicable, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Mortgagor with the terms of this Deed.

- 8.6.2 The Mortgagor shall notify the Security Agent of any breach of this Deed by the Mortgagor (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless the Mortgagor is aware that a notification has already been provided by an Obligor).

9. SHARES AND RELATED RIGHTS

9.1 Dividends and voting rights: before an Enforcement Event

Prior to the occurrence of an Enforcement Event, the Mortgagor shall be entitled to:

- 9.1.1 receive and retain all dividends, interest and other monies arising from the Shares and/or the Related Rights; and

- 9.1.2 exercise all voting rights in relation to the Shares **provided that** the Mortgagor shall not exercise such voting rights in any manner inconsistent with the

security created or intended to be created by this Deed or which is in breach of any Finance Document or otherwise permit or agree to any variation of the rights attaching to or conferred by any of the Shares, which in the opinion of the Security Agent would prejudice the value of, or the ability of the Security Agent to realise the security created by, this Deed.

9.2 Dividends and voting rights: after an Enforcement Event

Upon the occurrence of an Enforcement Event, the Security Agent may at its discretion (in the name of the Mortgagor or otherwise and without any further consent or authority from the Mortgagor):

- 9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Shares;
- 9.2.2 apply all dividends, interest and other monies arising from the Shares in accordance with Clause 15 (*Application Of Monies*);
- 9.2.3 transfer the Shares into its name or the name of such nominee(s) of the Security Agent as it shall require; and
- 9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to the Company, to concur or participate in:
 - (a) the reconstruction, amalgamation, sale or other disposal of the Company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such event);
 - (b) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (c) the exercise, renunciation or assignment of any right to subscribe for such shares or securities,

in each case in such manner and on such terms as the Security Agent may think fit, and the proceeds of any such action shall form part of the Mortgaged Property.

9.3 Payment of calls

The Mortgagor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares or any Related Rights, and in any case of default by the Mortgagor in such payment, the Security Agent may, if it thinks fit, make such payment on behalf of the Mortgagor in which case any sums paid by the Security Agent shall be reimbursed by the Mortgagor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate and in accordance with Clause 3.2 (*Interest on demands*).

9.4 Delivery of documents

After the occurrence of an Enforcement Event, the Mortgagor shall, promptly on the request of the Security Agent, deliver (or procure delivery) to the Security Agent any document which the Security Agent may reasonably request (in such form and executed as the Security Agent may reasonably require) with a view to perfecting its security over the Shares and Related Rights or to registering any Shares or Related Rights in its name or the name of any nominee(s).

9.5 No restrictions on transfer

The Mortgagor shall:

- 9.5.1** ensure that the Shares and Related Rights are at all times free from any restriction on transfer (whether under any relevant constitutional documents or otherwise) by the Security Agent (or its nominee(s)) to perfect or enforce the security conferred or intended to be conferred by this Deed; and
- 9.5.2** following enforcement of the Security constituted by this Deed in accordance with its terms, take such action as is available to it (subject to the requirements of applicable law), procure that the board of directors of the Company approves any transfer of any of the Shares and Related Rights desired to be made by the Security Agent in the exercise of the rights, powers and remedies conferred upon it by this Deed or by law.

9.6 Communications and PSC Notices

- 9.6.1** The Mortgagor shall notify the Security Agent of the contents of any communication or document received by it in relation to any of the Shares and Related Rights.
- 9.6.2** The Mortgagor shall promptly copy to the Security Agent and comply with all reasonable requests for information which are made under a PSC Notice relating to the Shares. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the Mortgagor.

9.7 Variation of rights

The Mortgagor shall not, by the exercise of any voting rights or otherwise, permit or agree to any proposed compromise, arrangement, capital reorganisation, conversion, exchange, repayment or takeover offer affecting or in respect of any of the Shares or Related Rights.

9.8 Obligations generally

The Mortgagor shall comply with every covenant (whether restrictive or otherwise), obligation and provision on its part to be complied with (and use all reasonable endeavours to procure compliance by each other party thereto with every covenant, obligation and provision on the part of each such other party to be complied with) contained in any document affecting the Shares and Related Rights or their use and enjoyment.

10. SPECIFIC CONTRACTS

The Mortgagor shall not at any time during the subsistence of this Deed amend, vary, novate, supplement, supersede, waive or terminate any term of a Specific Contract except in writing:

- 10.1.1 with the prior written consent of the Security Agent;
- 10.1.2 as expressly permitted pursuant to the terms of the Finance Documents; or
- 10.1.3 in a way which could not be reasonably expected materially and adversely to affect the interests of the Lenders.

11. ENFORCEMENT OF SECURITY

11.1 Enforcement

At any time after the occurrence of an Event of Default which is continuing, or if the Mortgagor requests the Security Agent to exercise any of its powers under this Deed, or if a petition or application is presented for the making of an administration order or other insolvency proceeding in relation to the Mortgagor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Mortgagor or files such a notice with the court, the security created by or pursuant to this Deed is immediately enforceable and the Security Agent may, without notice to the Mortgagor or prior authorisation from any court, in its absolute discretion:

- 11.1.1 enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Mortgaged Property, and the Security Agent (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Mortgaged Property (including, without limitation, the power to execute, seal, deliver or otherwise complete any transfers or other documents required to vest any of the Shares and/or Related Rights in the Security Agent, any of its nominees or in any purchaser of any of the Shares and/or Related Rights); and
- 11.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Act (as varied or extended by this Deed) on mortgagees and by this Deed any Receiver or otherwise conferred by law on mortgagees or Receivers.

11.2 No liability as mortgagee in possession

Neither the Security Agent nor any of its nominees nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Mortgaged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Mortgaged Property to which a mortgagee or mortgagee in possession might otherwise be liable, and in particular the Security Agent (or its nominee(s)) or any Receiver shall not be liable for any loss occasioned by any exercise or non-exercise of rights attached to the Shares or the Related Rights or by any failure to report to the Mortgagor any notice or other communication received in respect of the Shares save, in all cases, to the extent directly caused by fraud, gross negligence or wilful misconduct on its part.

11.3 Right of appropriation

To the extent that any of the Mortgaged Property constitutes "financial collateral" and this Deed and the obligations of the Mortgagor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the **Regulations**)) the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall in the case of the Shares, be the market price of such Shares determined by the Security Agent by such process as the Security Agent may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

11.4 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 11.1 (*Enforcement*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

12. EXTENSION AND VARIATION OF THE ACT

12.1 Extension of powers

The power of sale or other disposal conferred on the Security Agent and its nominee(s) and any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Act and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed, provided that the Security Agent shall not exercise such power of sale until an Enforcement Event.

12.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Act shall not apply to this Deed or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Mortgagor on or at any time after the occurrence of an Enforcement Event.

12.3 Suspense account

If the security created by this Deed is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or any Receiver) may pay the proceeds of any recoveries effected by it into an interest-bearing suspense account.

13. APPOINTMENT OF RECEIVER

13.1 Appointment and removal

After the occurrence of an Enforcement Event, or if a petition or application is presented for the making of an administration order in relation to the Mortgagor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of

the Mortgagor or files such a notice with the court or if requested to do so by the Mortgagor, the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the Mortgagor:

- 13.1.1** appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- 13.1.2** appoint two or more Receivers of separate parts of the Charged Property;
- 13.1.3** remove (so far as it is lawfully able) any Receiver so appointed; and
- 13.1.4** appoint another person(s) as an additional or replacement Receiver(s).

13.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 13.1 (*Appointment and removal*) shall be:

- 13.2.1** entitled to act individually or together with any other person appointed or substituted as Receiver;
- 13.2.2** for all purposes shall be deemed to be the agent of the Mortgagor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee; and
- 13.2.3** entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the LPA).

13.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the LPA (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Charged Property. Except as provided in Clause 11.4 (*Effect of moratorium*), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the LPA) does not apply to this Deed.

14. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Mortgagor) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Mortgagor which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Mortgagor or in his own name and, in each case, at the cost of the Mortgagor):

- 14.1.1** all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA;

- 14.1.2** all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 14.1.3** all the powers and rights of an absolute owner and power to do or omit to do anything which the Mortgagor itself could do or omit to do; and
- 14.1.4** the power to do all things (including bringing or defending proceedings in the name or on behalf of the Mortgagor) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the Mortgagor forming part of, or which when got in would be, Charged Property.

15. APPLICATION OF MONIES

All monies received or recovered by the Security Agent, its nominee(s) or any Receiver pursuant to this Deed or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Act) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by the Mortgagor) in accordance with clause 16.1 (*Order of application*) of the Intercreditor Agreement.

16. PROTECTION OF PURCHASERS

16.1 Consideration

The receipt of the Security Agent or its nominee(s) or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Mortgaged Property or making any acquisition, the Security Agent, any of its nominee(s) or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

16.2 Protection of purchasers

No purchaser or other person dealing with the Security Trustee, its nominee(s) or any Receiver shall be bound to inquire whether the right of the Security Trustee, such nominee(s) or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee, such nominee(s) or such Receiver in such dealings.

17. POWER OF ATTORNEY

17.1 Appointment and powers

The Mortgagor by way of security irrevocably appoints the Security Agent and Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute,

deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- 17.1.1** carrying out any obligation imposed on the Mortgagor by this Deed (including the completion, execution and delivery of any deeds, charges, assignments or other security and any transfers of the Mortgaged Property); and
- 17.1.2** enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Deed or by law (including, after the occurrence of an Event of Default, the exercise of any right of a legal or beneficial owner of the Mortgaged Property) and (without prejudice to the generality of the foregoing) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

17.2 Exercise of power of attorney

The Security Agent may only exercise the power of attorney granted pursuant to Clause 17.1 (*Appointment and powers*) after the occurrence of an Event of Default.

17.3 Ratification

The Mortgagor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of the power of attorney in Clause 17.1 (*Appointment and powers*).

17.4 Security Agent's power to remedy breaches

If at any time the Mortgagor fails to perform any of the covenants contained in this Deed it shall be lawful for the Security Agent, but the Security Agent shall have no obligation, to take such action on behalf of the Mortgagor (including, without limitation, the payment of money) as may in the Security Agent's reasonable opinion be required to ensure that such covenants are performed. Any losses, costs, charges and expenses properly incurred by the Security Agent in taking such action shall be reimbursed by the Mortgagor on demand.

18. EFFECTIVENESS OF SECURITY

18.1 Continuing security

- 18.1.1** The security created by or pursuant to this Deed shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document.
- 18.1.2** No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

18.2 Cumulative rights

The security created by or pursuant to this Deed and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Security Agent or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Mortgaged Property shall merge into the security constituted by this Deed.

18.3 No prejudice

The security created by or pursuant to this Deed and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other security interest, agreement or document or by any time or indulgence granted to the Mortgagor or any other person, or the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that security or any Collateral Right.

18.4 Remedies and waivers

No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

18.5 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Mortgaged Property or (c) taking possession of or realising all or any part of the Mortgaged Property except, in each case, to the extent directly caused by fraud or wilful misconduct or gross negligence on its part.

18.6 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

18.7 Waiver of defences

The obligations of the Mortgagor under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation) and whether or not known to it or any Secured Party including:

- 18.7.1** any time, waiver or consent granted to, or composition with the Mortgagor or any other person; or

- 18.7.2** the release of the Mortgagor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group; or
- 18.7.3** 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 Mortgagor or any 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; or
- 18.7.4** any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Mortgagor or any person; or
- 18.7.5** any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed by the Mortgagor from time to time); or
- 18.7.6** any unenforceability, illegality or invalidity of any obligation of any other person under any Finance Document or any other document or security or of the Secured Obligations; or
- 18.7.7** any insolvency or similar proceedings.

18.8 Immediate recourse

The Mortgagor waives any right it may have of first requiring any Secured Party (or the Security Agent 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 Mortgagor under this Deed. This waiver applies irrespective of any law or any provision of this Deed to the contrary.

18.9 Deferral of rights

Until such time as the Secured Obligations have been discharged in full, the Mortgagor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- 18.9.1** to be indemnified by any person;
- 18.9.2** to claim any contribution from any guarantor of the Mortgagor's obligations under this Deed or any co-surety;
- 18.9.3** 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, this Deed by any Secured Party;

18.9.4 to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under this Deed;

18.9.5 to exercise any right of set-off against any Obligor; and/or

18.9.6 to claim or prove as a creditor of any Obligor in competition with any Secured Party.

19. RELEASE OF SECURITY

19.1 Redemption of security

Upon the Secured Obligations being irrevocably and unconditionally discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Mortgagor or any other person under any of the Finance Documents, the Security Agent shall, at the request and cost of the Mortgagor, release and cancel the security constituted by this Deed subject to Clause 19.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

19.2 Avoidance of payments

If the Security Agent reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Mortgagor under, and the security created by, this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

20. SET-OFF

The Security Agent may set off any matured obligation due from the Mortgagor under the Finance Documents (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to the Mortgagor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

21. SUBSEQUENT SECURITY INTERESTS

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent security affecting all or any part of the Mortgaged Property or any assignment or transfer of the Mortgaged Property which is prohibited by the terms of this Deed or the Facility Agreement, all payments made thereafter by or on behalf of the Mortgagor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of the Mortgagor and not as having been applied in reduction of the Secured Obligations as at the time when the Security Agent received such notice.

22. ASSIGNMENT

22.1 The Mortgagor may not assign or transfer any of its rights or obligations under this Deed without the prior written consent of the Security Agent.

22.2 The Security Agent may assign and transfer all or any of its rights and obligations under this Deed. The Security Agent shall be entitled to disclose such information concerning the Mortgagor and this Deed as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

23. NOTICES

The provisions of clause 33 (*Notices*) of the Facility Agreement shall apply to this Deed.

24. DISCRETION AND DELEGATION

24.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may, subject to the terms and conditions of the Intercreditor Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

24.2 Delegation

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself. Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Mortgagor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate except, in each case, to the extent directly caused by fraud or wilful misconduct or gross negligence on its part.

25. 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.

26. GOVERNING LAW

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

27. JURISDICTION

27.1 English courts

The courts of England have jurisdiction to settle any dispute arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this

Deed or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed) (a **Dispute**).

27.2 Convenient forum

The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

27.3 Exclusive jurisdiction

This Clause 27 is for the benefit of the Security Agent only. As a result and notwithstanding Clause 27.1 (*English courts*), it does not prevent the Security Agent 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 signed on behalf of the Security Agent and executed as a deed by the Mortgagor and is delivered by it on the date specified above.

**SCHEDULE 1
SHARES**

Shareholder	Company in which shares are held	Class of share	Number of shares
The Mortgagor	The Company	Ordinary shares of £1.00 each	4,630,162

SCHEDULE 2
FORM OF NOTICE OF ASSIGNMENT OF SPECIFIC CONTRACT

To: [Counterparty]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned to Shawbrook Bank Limited (the **Security Agent**) pursuant to a share charge entered into by us in favour of the Security Agent dated [•] 2016 (the **Share Charge**) all our right, title and interest in and to [insert details of contract] (the **Contract**) including all monies which may be payable to us in respect of the Contract.

With effect from the date of your receipt of this notice:

1. all payments by you to us under or arising from the Contract should be made to us until such time as you receive notice from the Security Agent instructing you otherwise following the occurrence of an Enforcement Event (as defined in the Share Charge) (**Payment Notice**);
2. upon receipt of a Payment Notice we instruct you to comply with all payment instructions in respect of any payments to be made under or arising from the Contract as set out in the Payment Notice;
3. upon your receipt of a Payment Notice from the Security Agent:
 - 3.1 all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Agent;
 - 3.2 all rights to compel performance of the Contract are exercisable by the Security Agent although we shall remain liable to perform all the obligations under the Contract; and
 - 3.3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Security Agent to the exclusion of us and no changes may be made to the terms of the Contract otherwise than as provided for in the Facility Agreement between, among others, S.D. Taylor Limited as original borrower and Shawbrook Bank Limited as security agent dated on or about the date of the Share Charge;
4. you are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Security Agent as well as to us; and
5. these instructions may not be revoked without the written consent of the Security Agent and no amendment, waiver or release of any of rights, interests and benefits arising under the Contract shall be effective unless (a) such amendment, waiver or release (i) could not be reasonably expected materially and adversely to affect the interest of the Lenders (as defined in the Facility Agreement as defined in the Share Charge) or (ii) is expressly

permitted pursuant to the terms of the Finance Documents (as defined in the Share Charge) or (b) with the prior written consent of the Security Agent.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at Shawbrook Asset Finance, 8 Nelson Mandela Place, Glasgow, G2 1BT marked for the attention of Lynn Morson.

Yours faithfully,

for and on behalf of

[Mortgagor]

To: Shawbrook Asset Finance
8 Nelson Mandela Place
Glasgow
G2 1BT

Attn: Lynn Morson

Date: [•]

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits arising under the Contract shall be effective without the prior written consent of the Security Agent, unless it is of a minor technical or non-operational nature or in any way which could not be reasonably expected materially and adversely to affect the interests of the Security Agent.

For and on behalf of [Counterparty]

By:

SIGNATURES

THE MORTGAGOR

EXECUTED as a DEED
by NON-STANDARD FINANCE PLC

.....
[Redacted Signature]
Director

in the presence of:

Signature of Witness: .. [Redacted Signature]

Name of Witness: GABRIELLA MCCOY

Address of Witness: 20 CURSITOR ST
LONDON

Occupation of Witness: SOLICITOR

THE SECURITY AGENT

EXECUTED as a DEED
by SHAWBROOK BANK LIMITED

.....
Authorised Signatory

in the presence of:

Signature of Witness:

Name of Witness:

Address of Witness:

Occupation of Witness:

SIGNATURES

THE MORTGAGOR

EXECUTED as a DEED
by NON-STANDARD FINANCE PLC

.....
Director

In the presence of:

Signature of Witness:

Name of Witness:

Address of Witness:


Occupation of Witness:

THE SECURITY AGENT

EXECUTED as a DEED
by SHAWBROOK BANK LIMITED


Authorised Signatory

In the presence of:

Signature of Witness: 

Name of Witness: SARAH WATTS.....

Address of Witness: 7 BISHOPS GATE.....

EC2N 3AR.....

Occupation of Witness: ANALYST.....