



**Registration of a Charge**

Company name: **A. & L. KING (BUILDERS) LIMITED**

Company number: **SC062886**



X5H1P3VF

Received for Electronic Filing: **06/10/2016**

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**Details of Charge**

Date of creation: **28/09/2016**

Charge code: **SC06 2886 0059**

Persons entitled: **BANK OF SCOTLAND PLC (AS SECURITY AGENT)**

Brief description: **N/A**

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**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: **KIRSTY MACIVER**



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

Company number: 62886

Charge code: SC06 2886 0059

The Registrar of Companies for Scotland hereby certifies that a charge dated 28th September 2016 and created by A. & L. KING (BUILDERS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th October 2016 .

Given at Companies House, Edinburgh on 7th October 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

**ASSIGNATION IN SECURITY**

**between**

**THE COMPANIES LISTED IN PART 1 OF THE SCHEDULE  
as Assignor**

**and**

**BANK OF SCOTLAND PLC**

**as Security Agent**

**of**

**the contracts more particularly described in Part 2 of the Schedule**

**This Assignment in Security is entered into with the benefit of and subject to the terms of the Intercreditor Agreement (as defined in this Assignment in Security)**



**Dickson Minto W.S.  
Edinburgh**

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**THIS ASSIGNATION IN SECURITY** is entered into between:

- (1) **THE COMPANIES** listed in Part 1 of the Schedule (each an "**Assignor**" and together the "**Assignors**"); and
- (2) **BANK OF SCOTLAND PLC**, a company incorporated in Scotland with registered number SC327000 and having its registered office at The Mound, Edinburgh EH1 1YZ as agent and trustee for itself and for each of the other Secured Parties (as defined below) on the terms and conditions set out in the Intercreditor Agreement (as defined below) (in such capacity as agent and trustee hereinafter referred to as the "**Security Agent**" (which expression shall include each person appointed as the Security Agent at the date of this Assignment or any additional security agent appointed for the purpose of, and in accordance with, the Intercreditor Agreement)).

**WHEREAS**

- (A) The Senior Lenders (as defined below) have agreed in accordance with the terms and conditions of a the facilities agreement originally dated 7 November 2013, as amended and restated on 30 October 2015, as amended on 23 December 2015, as amended on 11 January 2016, as amended on 18 March 2016, as amended on 29 July 2016, as amended on 31 August 2016, as amended and restated on or around the date hereof and as further amended, restated or supplemented from time to time between inter alia, Stewart Milne Group Limited (1), the various banks and financial institutions named therein (2) and the Agent (as defined herein) (3) (hereinafter referred to as the "**Facilities Agreement**") to make available to SMGL (as defined below) certain term loan, revolving credit and ancillary facilities (hereinafter referred to as the "**Senior Facilities**").
- (B) The Ancillary Lenders (as defined below) may agree in accordance with the terms and conditions of the Facilities Agreement and certain ancillary documents (as such documents are amended, varied, supplemented, novated or replaced from time to time hereinafter referred to as the "**Ancillary Documents**") between inter alia the Borrowers (as defined below) and the Ancillary Lenders to make available to the Borrowers certain ancillary facilities (hereinafter referred to as the "**Ancillary Facilities**").
- (C) The Working Capital Bank (as defined below) has agreed in accordance with the terms and conditions of the Initial Working Capital Facility Agreement (as defined in the Facilities Agreement) (as such documents are amended, varied, supplemented, novated or replaced from time to time hereinafter) to provide certain working capital facilities (hereafter referred to as the "**Working Capital Facilities**").
- (D) The Hedge Counterparties (as defined below) may make after the date hereof interest rate hedging and other similar facilities (hereinafter referred to as the "**Hedging Facilities**") available to an Obligor (as defined below) or any other member of the Group (as defined below).

- (E) It is a condition precedent to the Secured Parties making or continuing to make the Facilities (as defined below) available to the Borrowers that the Assignors enter into this Assignment.

NOW IT IS HEREBY AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1. **Definitions from the Facilities Agreement**

Words and expressions defined in the Facilities Agreement or whose definitions are imported into the Facilities Agreement shall bear the same meaning in this Assignment (including, without limitation, the recitals and schedule to this Assignment) unless otherwise defined in this Assignment or unless the context otherwise requires.

1.2. **Definitions**

In this Assignment:

**"Assigned Rights"** means the assets and rights assigned or to be assigned in security by or pursuant to this Assignment.

**"Borrower"** means a Borrower as defined in the Facilities Agreement and **"Borrowers"** shall be construed accordingly.

**"Enforcement Event"** means the giving of a notice by the Agent to the Parent under Clause 27.20 (Acceleration) of the Facilities Agreement.

**"Event of Default"** means an Event of Default as defined in the Facilities Agreement.

**"Facilities"** means the Senior Facilities, the Hedging Facilities, the Ancillary Facilities and the Working Capital Facilities.

**"Finance Documents"** means the Finance Documents as defined in the Facilities Agreement and any other document which the Security Agent and SMGL agree shall be designated as a Finance Document.

**"Financial Indebtedness"** means Financial Indebtedness as defined in the Facilities Agreement.

**"Group"** means the Group as defined in the Facilities Agreement.

**"Hedge Counterparty"** means a Hedge Counterparty as defined in the Facilities Agreement and **"Hedge Counterparties"** shall be construed accordingly.

**"Intercreditor Agreement"** means the intercreditor agreement dated 7 November 2013 and made between, amongst others, SMGL and the Agent, the Security Agent, the Senior Lenders, the Ancillary Lenders, the Hedge

Counterparties and certain others as amended, restated or supplemented from time to time.

**"Obligor"** means an **"Obligor"** as defined in the Facilities Agreement and **"Obligors"** shall be construed accordingly.

**"Quasi-Security"** means an arrangement or transaction in terms of which an Assignor:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group (other than pursuant to a Permitted Disposal);
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters into an 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) enters into any other preferential arrangements 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.

**"Relevant Contracts"** means the contracts detailed in Part 2 of the Schedule (as amended, restated, supplemented, novated or replaced from time to time), together with all claims, advantages and benefits which have accrued or hereafter accrue thereunder.

**"Repeating Representations"** means the Repeating Representations as defined in the Facilities Agreement.

**"Rights"** includes:

- (a) the right to receive all and any moneys payable under the Relevant Contracts;
- (b) the proceeds of any payment under the Relevant Contracts;
- (c) all claims for damages for any breach of the Relevant Contracts (except for a breach by an Assignor);
- (d) the benefit of all warranties and indemnities contained in the Relevant Contracts;
- (e) any right to terminate the Relevant Contracts; and



- (f) the right to perform and observe the provisions of the Relevant Contracts and to compel the performance and observance of the Relevant Contracts.

**"Schedule"** means the Schedule annexed and executed as relative hereto which shall be deemed to form part of this Assignment.

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, cautioner, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction) of the Assignors or any other Obligor to the Security Agent and the other Secured Parties (or any of them) under the Finance Documents together with (without double counting):

- (a) any refinancing, novation, refunding, deferral or extension of or increase in any of those obligations or liabilities;
- (b) any further advances and additional facilities which may be made by any Secured Party to an Assignor or any other Obligor under any Finance Documents and all interest, fees and costs in connection therewith;
- (c) any claim for damages or restitution in the event of rescission of any of those obligations or liabilities or otherwise in connection with any of the Finance Documents; and
- (e) any amounts which would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

**"Secured Parties"** means the Secured Parties as defined in the Facilities Agreement or any of them as the context requires and **"Secured Party"** shall be construed accordingly.

**"Security"** means a fixed security, standard security, mortgage, charge, pledge, lien, assignment in security, assignation in security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Senior Lenders"** means the Lenders as defined in the Facilities Agreement and **"Senior Lender"** means any one of them.

**"SMGL"** means Stewart Milne Group Limited, a company incorporated in Scotland under the Companies Acts (Reg. No. SC057709) and having its registered office at Peregrine House, Mosscroft Avenue, Westhill Business Park, Westhill, Aberdeen AB32 6JQ.

**"Working Capital Bank"** means the Working Capital Bank as defined in the Facilities Agreement.

### 1.3. Interpretation

Save where the contrary is indicated, any reference in this Assignment to:

- 1.3.1. "assets" includes present and future properties, revenues and rights of every description;
- 1.3.2. a "company" includes any body corporate;
- 1.3.3. "fixed security", in relation to any property of a company, means any security (other than a floating charge or a charge having the character of a floating charge) which on the winding up of an Assignor in Scotland would be treated as an effective security over that property including, in particular, a heritable security (within the meaning of Section 9(8) of the Conveyancing and Feudal Reform (Scotland) Act 1970);
- 1.3.4. "guarantee" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- 1.3.5. "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.3.6. a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.3.7. a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department or of any regulatory, self-regulatory or other authority or organisation;
- 1.3.8. "set-off" includes compensation, rights of retention and the balancing of accounts in bankruptcy;
- 1.3.9. a provision of law is a reference to that provision as amended or re-enacted;
- 1.3.10. the singular shall include the plural and vice versa;
- 1.3.11. this Assignment and any provisions of this Assignment or to any other agreements, instrument or document are to be construed as references to this Assignment, those provisions or that agreement, instrument or document as amended, varied, supplemented,

substituted, replaced or novated (however fundamentally) from time to time including (without limiting the generality of the foregoing) any variation, increase, extension or addition of or any variation of or to any facility or amount made available under any Finance Document or any variation of the purposes for which such facility or amount may be available from time to time;

1.3.12. references to this Assignment shall include the Schedule;

1.3.13. clause references are to be construed as references to the Clauses of this Assignment as amended or varied from time to time and references to sub-clauses shall unless otherwise specifically stated be construed as references to the sub-clauses of the Clause in which the reference appears.

#### **1.4. Successors and assignees**

Any reference in this Assignment to the Security Agent or a Secured Party shall include the successors, permitted assignees and permitted transferees of the Security Agent or such Secured Party.

#### **1.5. Trust**

The Security Agent shall hold the benefit of this Assignment upon trust for the other Secured Parties in accordance with Clause 16 (The Security Agent) of the Intercreditor Agreement.

### **2. PAYMENT OBLIGATION**

#### **2.1. Undertaking to pay**

Each Assignor hereby, as principal debtor and not merely as surety, cautioner or guarantor, undertakes to the Security Agent for itself and on behalf of the other Secured Parties that it will pay or discharge the Secured Liabilities on the due date therefor in the manner provided in the relevant Finance Document or, where no such provision is made in the Finance Documents, on written demand.

#### **2.2. Interest**

If an Assignor fails to pay any sum on the due date for payment of that sum, such Assignor shall 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 in accordance with the provisions of Clause 11.3 (Default Interest) of the Facilities Agreement.

### **3. ASSIGNATION IN SECURITY**

The Assignors in security for the Secured Liabilities hereby assign to the Security Agent their whole right, title, interest and benefit in and to the Relevant Contracts and all Rights of the Assignors in relation to the Relevant

Contracts.

#### **4. INTIMATION AND PERFECTION OF SECURITY**

Each Assignor confirms and acknowledges that following:

- 4.1. it will promptly following an instruction from the Security Agent at any time following an Event of Default which is continuing notify the relevant third parties which are parties to the Relevant Contracts (with a copy to the Security Agent) of the terms of this Assignment in substantially the form set out in Part 3 of the Schedule (Form of Notice) and will use all reasonable endeavours to procure that each relevant third party acknowledges receipt of such notice;
- 4.2. it will take such action (if any) in respect of such notification and acknowledgement as is requested by the Security Agent from time to time;
- 4.3. it will deposit with the Security Agent, and the Security Agent during the continuance of this security shall be entitled to hold, all deeds and documents of title which would otherwise be in the Assignor's custody or control and which relate to the Assigned Rights; and
- 4.4. it will take any and all action in respect of the intimation, notification or acknowledgement of this Assignment as the Security Agent may request from time to time, provided that the Assignor shall not be obliged to procure that any counterparty to a Relevant Contract acknowledges or agrees to the terms of any notice or intimation in respect of the security interest contained in this Assignment other than in accordance with Clause 4.1 above.

#### **5. ASSIGNED RIGHTS**

##### **5.1. Obligations**

Notwithstanding anything to the contrary in this Assignment, each Assignor shall remain liable to observe and perform all of the conditions and obligations relating to the Assigned Rights and (save as otherwise provided in this Assignment or required by law) the Security Agent shall be under no obligation or liability by reason of or arising out of this security (except to the extent required by law). The Security Agent shall not be required in any manner to perform or fulfil any obligations of the Assignors in respect of the Assigned Rights.

##### **5.2. Failure by the Assignors**

In the event of the failure of the Assignors to fulfil any of their obligations under this Assignment, the Security Agent may make such payments or perform or fulfil any of the obligations of the Assignors on behalf of the Assignors.

##### **5.3. Receipts**

Prior to the occurrence of an Enforcement Event, all monies paid in respect of

the Assigned Rights shall be paid to the Assignors. The Assignors hereby agrees with the Security Agent that, with effect from occurrence of an Enforcement Event, all monies paid and received by the Security Agent in respect of the Assigned Rights shall be applied as set out in Clause 10 (Application of monies).

**6. NEGATIVE PLEDGE**

**6.1. No other fixed or floating charges**

The Assignors shall not (without the prior written consent of the Security Agent) grant, create or permit to subsist any Security or Quasi-Security over all or any part of the Assigned Rights except as permitted under the Facilities Agreement.

**6.2. No disposals**

The Assignors shall not (without the prior written consent of the Security Agent) sell, assign, lease, transfer or otherwise dispose of or part with possession of (by one or more transactions or a series of transactions whether related or not) the Assigned Rights except as permitted under the Facilities Agreement.

**7. RANKING**

The Security created by, or any security interest constituted pursuant to, this Assignment shall rank in priority to any floating charge granted by the Assignors in favour of the Security Agent.

**8. FURTHER ASSURANCE**

**8.1. Further assurance**

The Assignors shall (at their own costs) promptly following receipt of demand in writing from the Security Agent 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)):

- 8.1.1. to perfect the Security created or intended to be created under or evidenced by this Assignment or, at any time after this Assignment has become enforceable, for the exercise of any rights, powers and remedies of the Security Agent, any receiver or the Secured Parties provided by or pursuant to this Assignment or by law;
- 8.1.2. at any time after this Assignment has become enforceable, to facilitate the realisation of the Assigned Rights.

## 8.2. Necessary action

The Assignors shall take all such action as is available to them (including giving all notices, making all filings and registrations) as is necessary for the purposes 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 Assignment.

## 9. ENFORCEMENT

9.1. The Security hereby granted and any security interest created pursuant hereto shall be enforceable immediately upon or at any time after:

- 9.1.1. the occurrence of an Enforcement Event;
- 9.1.2. the passing of 14 days following a petition being presented for the winding up or reorganisation of an Assignor without such petition being deemed frivolous or vexatious and having been discharged, stayed or dismissed;
- 9.1.3. an application being presented or resolution proposed for the winding up, reorganisation or administration of an Assignor;
- 9.1.4. an Assignor or any other person entitled to do so giving written notice of its intention to appoint an administrator or liquidator to an Assignor or the appointment of an administrator or liquidator to an Assignor;
- 9.1.5. a written request has been made by an Assignor to the Security Agent for the appointment of a receiver or an administrator;
- 9.1.6. an Assignor breaches any of the material terms of this Assignment.

9.2. At any time after this Assignment has become enforceable in accordance with Clause 9.1 above, the Security Agent shall be entitled on behalf of the Secured Parties (but shall not be obliged), without any notice to the Assignors or otherwise and whenever the Security Agent thinks fit to:

- 9.2.1. exercise all rights and powers in relation to the Assigned Rights which could have been exercised by the Assignors prior to the Security granted or created pursuant to this Assignment becoming enforceable, including all powers to take possession of or otherwise dispose of all or any part of the Assigned Rights, as if the Security Agent was the absolute owner of the Assigned Rights and pending any such sale or other disposal to receive and to apply in or towards satisfaction of the Secured Liabilities in the order set out in Clause 10 (Application of monies) any profits or benefits or property of any kind derived from the Assigned Rights or accruing by virtue of the exercise of such rights or powers;
- 9.2.2. pursue, compromise or settle any dispute arising out of the Assigned Rights and the Assignors shall keep the Security Agent (as applicable)

fully and effectively indemnified from and against all losses and costs which may be suffered by the Security Agent as a result;

- 9.2.3. permit the disposal of all or any part of the Assigned Rights at such time and on such terms as the Security Agent may consider expedient and without the Security Agent being under any obligation to have regard in that respect to the effect (if any) which a disposal at such time or on such terms may have on the proceeds likely to be realised; and
  - 9.2.4. pay any sum due and payable by the Assignors, or take any action on an Assignor's behalf, on account of such Assignor's obligations under any of the Relevant Contracts with a view to protecting or maintaining the security granted by this Assignment and any Security interest created pursuant hereto or otherwise making good such default by an Assignor.
- 9.3. The Security Agent shall not in any circumstances, either by reason of any dealing with all or any part of the Assigned Rights or for any other reason whatsoever, be liable to account to an Assignor for anything except in the case of the Security Agent in respect of the Security Agent's own actual receipts or be liable to an Assignor for any loss or damage arising from any realisation by the Security Agent of all or any part of the Assigned Rights from any act, default or omission of the Security Agent (other than in cases of fraud, gross negligence or wilful misconduct) in relation to all or any part of the Assigned Rights or from any exercise or non-exercise by the Security Agent of any power, authority or discretion conferred upon it in relation to all or any part of the Assigned Rights by or pursuant to this Assignment or otherwise by any applicable law.
- 9.4. Any sums advanced or paid in accordance with Clause 9.2.4 above shall be a debt owed by an Assignor to the Security Agent and such Assignor undertakes to the Security Agent to pay to the Security Agent on demand all moneys so expended, together with interest thereon from the date or dates on which such expenditure was incurred by the Security Agent until the date of payment thereof whether before or after any relevant judgment or decree and compounded at the end of each of the periods determined by the Security Agent as hereinafter provided. Such interest shall be calculated at the rate determined in accordance with the provisions of Clause 11.3 (Default Interest) of the Facilities Agreement and shall be secured by the Security hereby granted and any security interest created pursuant to this Assignment.

## **10. APPLICATION OF MONIES**

All moneys received by the Security Agent shall (subject to the repayment of any claims having priority to this Assignment) be applied in the following order:

- 10.1. in the payment of the costs, charges and expenses of and incidental to the enforcement of the security hereby granted or constituted pursuant hereto;

- 10.2. in or towards the satisfaction of the Secured Liabilities in accordance with the terms of the Intercreditor Agreement; and
- 10.3. any surplus shall be paid to the Assignors or any other person entitled thereto.

## **11. UNDERTAKINGS**

Each Assignor undertakes to the Security Agent and the other Secured Parties that:

- 11.1. it will not do or suffer to be done nor omit to do any act nor commit any default whereby any of the Relevant Contracts may become void or voidable or whereby the Secured Parties may be prevented from receiving any moneys thereby due;
- 11.2. if any of the Relevant Contracts shall become voidable, it will immediately thereupon at its own cost do all things necessary for restoring and keeping the same in force;
- 11.3. it will not vary, amend, terminate, surrender or cancel all or any of the Assigned Rights except as permitted under the Facilities Agreement;
- 11.4. it will not vary, amend, terminate, cancel or waive all or any of the terms of the Relevant Contracts except as permitted under the Facilities Agreement; and
- 11.5. it will not cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Assigned Rights in any material way.

## **12. POWER OF ATTORNEY**

### **12.1. Power of attorney**

Each Assignor hereby irrevocably appoints the Security Agent to be its attorney and on its behalf and in its name to sign, seal, execute, deliver and perfect all deeds, instruments and documents which may be required for:

- 12.1.1. transferring any of the Assigned Rights to the Security Agent on behalf of the Security Agent or any purchaser;
- 12.1.2. carrying out any obligation imposed on an Assignor by or pursuant to this Assignment which an Assignor has not discharged in accordance with the terms of this Assignment; and
- 12.1.3. enabling the Security Agent to exercise the rights and powers conferred upon them by this Assignment or by law (including the right to sell, lease, convey, transfer or realise any of the Assigned Rights).



The Security Agent shall have full power to delegate the power conferred on it by this Clause 12.1 and no such delegation shall preclude the subsequent exercise of such power by the Security Agent itself or preclude the Security Agent from making a subsequent delegation thereof to some other person and any such delegation may be revoked by the Security Agent at any time. The appointment pursuant to this Clause 12.1 is to take effect immediately but the rights and powers of the attorney pursuant to this Clause 12.1 are only exercisable upon the occurrence of an Enforcement Event or where an Assignor has failed to remedy a breach of its obligations under this Assignment within 5 Business Days of such breach of obligation.

**12.2. Ratification**

The Assignors shall ratify and confirm all acts and things done and all deeds, instruments and/or documents signed, sealed, executed and/or perfected by any attorney in the exercise or purported exercise of all or any of its powers under Clause 12.1.

**13. PRESERVATION OF SECURITY**

**13.1. Continuing security**

The Security created by or pursuant to this Assignment shall remain in full force and effect as a continuing security for the Secured Liabilities unless and until discharged by the Security Agent and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Secured Liabilities or for any other reason.

**13.2. Independence of charge**

The Security constituted by or pursuant to this Assignment shall be in addition to and independent of, and shall not in any way prejudice or be prejudiced by, any other Security, right or remedy against any person which the Security Agent and the Secured Parties (or any of them) may at any time hold for the satisfaction of all or any part of the Secured Liabilities.

**13.3. Waiver of defences**

Neither the obligations of the Assignors under this Assignment nor the rights, powers and remedies conferred in respect of the Assignors upon the Security Agent will be affected by any act, omission, matter or thing which, but for this Clause 13.3, would reduce, release or prejudice any of those obligations or those rights, powers and remedies (without limitation and whether or not known to the Assignors or any Secured Party) including:

13.3.1. any time, waiver or consent granted to, or composition with, any Obligor or other person;

13.3.2. the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- 13.3.3. 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, 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;
- 13.3.4. any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- 13.3.5. any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- 13.3.6. any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- 13.3.7. any insolvency or similar proceedings.

#### **13.4. Rights cumulative**

The obligations of the Assignors contained in this Assignment and all rights, powers and remedies of the Security Agent expressed in this Assignment are in addition to and independent of all other rights, powers and remedies possessed by the Security Agent including, without limitation, those provided for in any Finance Document, by applicable law or in any other written instrument or agreement relating to the Assignors' obligations or the Secured Assets.

#### **13.5. Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent or any Secured Party, any right or remedy under this Assignment shall operate as a waiver of any such right or remedy. 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.

#### **13.6. Partial invalidity**

If, at any time, any provision of this Assignment 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 Assignment nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

#### **14. PRESERVATION OF RIGHTS**

Other than as provided in this Assignment, the Security Agent shall not be obliged before exercising any of the rights, powers, discretions or remedies conferred upon it by this Assignment or by law:

14.1.1. to take any action, including but not limited to the giving of notice to, or making any demand upon, the Assignors or any other person or the obtaining or enforcement of any judgment, decree or order in any court against the Assignors or any other person;

14.1.2. to make or file any claim or proof in the administration, winding-up or liquidation of the Assignors or any other person; or

14.1.3. to enforce or seek to enforce any of its rights, powers, discretions or remedies under any other Security in respect of the Secured Liabilities.

#### **15. SUBSEQUENT SECURITY INTERESTS**

If the Security Agent (acting in its capacity as security agent or otherwise) or any of the other Secured Parties receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Secured Assets, all payments thereafter by or on behalf of an Assignor to the Security Agent (whether in its capacity as security agent or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of such Assignor and not as having been applied in reduction of the Secured Liabilities as at the time when the Security Agent received such notice.

#### **16. SUSPENSE ACCOUNT**

Until all of the Secured Liabilities have been irrevocably paid in full, all monies received by the Security Agent or any receiver may, at the discretion of the Security Agent, be credited to an interest bearing suspense account and may be held in such account for so long as the Security Agent sees fit.

#### **17. SET-OFF**

A Secured Party may set-off any matured obligation due from an Assignor under the Finance Documents (to the extent owed by that Secured Party) against any matured obligation owed by that Secured Party to such Assignor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

#### **18. RETROCESSION**

##### **18.1. Retrocession**

Subject to Clause 18.2 (Conditional discharge), the Assignors shall be entitled, after the Secured Liabilities have been irrevocably and unconditionally

discharged in full and none of the Secured Parties are under any actual or contingent obligations to make available any facilities of any kind whatsoever under any of the Finance Documents, to require, at their cost and request, the retrocession and re-assignment to the Assignors (or as the Assignors directs) the Assignors' whole right, title, interest and benefit in and to the Assigned Rights and the Security Agent will execute such documents as may be required to retrocess and re-assign to the Assignors the Assigned Rights free from the Security created by this Assignment and to discharge the Assignors from their obligations under this Assignment.

#### **18.2. Conditional discharge**

Any settlement or discharge between the Assignors and the Security Agent shall be conditional upon no security or payment to the Security Agent by the Assignors or any other person on behalf of the Assignors being avoided or reduced by the virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, if any such payment is so avoided or reduced, the Security Agent shall be entitled to recover the value or amount of such security or payment from the Assignors subsequently as if such settlement or discharge had not occurred.

### **19. CHANGES IN SECURED LIABILITIES**

The Assignor expressly agrees and acknowledges that the parties to the Finance Documents may from time to time agree to make amendments to the terms of those documents and may enter into such supplemental agreements as are required from time to time in order to give effect to such amendments. Such amendments may include, inter alia, the increase or reduction of the facilities made available under those documents and, for the avoidance of doubt, those facilities will form part of the Secured Liabilities under and in terms of this Assignment.

### **20. ASSIGNATION OF RIGHTS**

#### **20.1. The Security Agent**

The Security Agent may (without prejudice to its right to appoint any joint trustee) assign and transfer all or any of its rights and obligations under this Assignment to any person appointed as its replacement as Security Agent (or any joint trustee) in accordance with the terms of the Intercreditor Agreement. The Security Agent shall be entitled to disclose such information concerning the Assignors and this Assignment in accordance with the terms of the Facilities Agreement.

#### **20.2. The Assignors**

The Assignors may not assign or transfer any of their obligations under this Assignment or enter into any transaction which would result in any of those rights or obligations passing to another person.

**21. INDEMNITY**

The Assignors shall indemnify the Security Agent against any cost, loss or liability (including, but not limited to, any legal fees and value added tax) incurred by it as a result of:

- 21.1. the taking, holding, protection or enforcement of this Assignment;
- 21.2. the exercise or purported exercise of any of the rights, powers, discretions and remedies vested in the Security Agent by this Assignment or by law; or
- 21.3. any default by the Assignors of any of the obligations expressed to be assumed by it in this Assignment.
- 21.4. The indemnity under this Clause 21 shall not apply to any cost, loss or liability incurred by the Security Agent or Receiver (as appropriate) has acted with gross negligence or wilful misconduct.

**22. DISCRETION AND DELEGATION****22.1. Discretion**

Any power or right which may be exercised by the Security Agent under this Assignment may be exercised in the absolute and unfettered discretion of the Security Agent and without any obligation to give reasons.

**22.2. Delegation**

The Security Agent and any receiver may delegate (either generally or specifically) by power of attorney or any other manner to any person any right, power, authority or discretion conferred on it by this Assignment (including the power of attorney granted under Clause 12 (Power of attorney)). The Security Agent may make a delegation on the terms and conditions (including the power to sub-delegate) that they think fit. Any such delegation shall not preclude the subsequent exercise, any subsequent delegation or any revocation of such right, power, authority or discretion by the Security Agent.

**23. CALCULATIONS AND CERTIFICATES****23.1. Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Assignment, the Assignors agree and acknowledge that the entries made in the accounts maintained by a Secured Party are, in the absence of manifest error, prima facie evidence of the matters to which they relate.

**23.2. Certificates and determinations**

The Assignors agree and acknowledge that, any certificate or determination by a Secured Party of a rate or amount under this Assignment is, in the

absence of manifest error, conclusive evidence of the matters to which it relates.

**23.3. Consent to registration**

The Assignors hereby consent to the registration of this Assignment and of any account or certificate referred to in Clauses 23.1 and 23.2 above for preservation and execution.

**24. NOTICES**

**24.1. Communications in writing**

Any communication to be made under or in connection with this Assignment shall be made in writing and, unless otherwise stated, may be made by fax or letter.

**24.2. Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Assignment is:

**24.2.1. in the case of the Assignors:**

Address:

Fax:

Attention: Stuart MacGregor; and

**24.2.2. in the case of the Security Agent:**

Address:

Fax:

Attention: Richard Lovell

or any substitute address, fax number or department or officer as the Assignors may notify to the Security Agent (or the Security Agent may notify to the Assignors, if a change is made by the Security Agent) by not less than five Business Days' notice.

**24.3. Delivery**

**24.3.1.** Any communication or document made or delivered by one person to another under or in connection with this Assignment will only be effective:

- (a) if by way of fax, when received in legible form; or

- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 24.2 (Addresses), if addressed to that department or officer.

24.3.2. Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer (if any) specified as part of its address details provided under Clause 24.2 (Addresses) (or any substitute department or officer as the Security Agent shall specify for this purpose).

24.3.3. Any communication or document which becomes effective, in accordance with Clauses 24.3.1 and 24.3.2 above, after 5.00p.m. in the place of receipt shall be deemed only to become effective on the following day.

#### **24.4. Electronic communication**

24.4.1. Any communication to be made under or in connection with this Assignment may be made by electronic mail or other electronic means (including, without limitation, by posting to a secure website) if the parties:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

24.4.2. Any such electronic communication as specified in Clause 24.4.1 above to be made between the Assignors and the Security Agent or a Secured Party only be made in that way to the extent that those parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

24.4.3. Any such electronic communication as specified in Clause 24.4.1 above made between any two parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

24.4.4. Any electronic communication which becomes effective, in accordance with Clause 24.4.3 above, after 5:00 p.m. in the place in which the party to whom the relevant communication is sent or made available

has its address for the purpose of this Assignment shall be deemed only to become effective on the following day.

- 24.4.5. Any reference in this Assignment to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 24.4.

**24.5. English language**

- 24.5.1. Any notice given under or in connection with this Assignment must be in English.

- 24.5.2. All other documents provided under or in connection with this Assignment must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

**25. DEPOSIT OF DEEDS**

The Security Agent shall be entitled to place all deeds, certificates and other documents relating to the Assigned Rights deposited with it under or pursuant to this Assignment in any safe deposit, safe or other storage selected by the Security Agent or with any solicitor or firm of solicitors and may make any such arrangements as it thinks fit for allowing the Assignors access to, or their solicitors or auditors possession of, such documents when necessary or convenient and the Security Agent shall not be responsible for any loss incurred in connection with any such deposit, access or possession.

**26. GOVERNING LAW**

This Assignment and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with Scots law.

**27. JURISDICTION**

**27.1. Jurisdiction of Scottish Courts**

The courts of Scotland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Assignment (including a dispute regarding the existence, validity or release of this Assignment) or any non-contractual obligation arising out of or in connection with this Assignment (a "**Dispute**").



**27.2. Convenient Forum**

The Assignors agree that the courts of Scotland are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary.

IN WITNESS WHEREOF these presents consisting of this and the 19 preceding pages together with the attached schedule consisting of two parts are executed as follows:

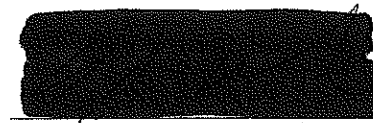
THAT IS TO SAY these presents consisting of this and the 19 preceding pages together with the attached schedule consisting of three parts are executed as follows:

They are signed for and on behalf of  
**STEWART MILNE GROUP LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:

 Director

in the presence of:

 Signature

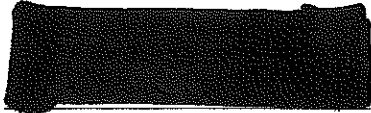
RALPH LESLIE MCINTOSH Name

 Address

  
 Occupation

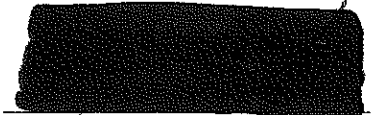
They are signed for and on behalf of  
**STEWART MILNE INVESTMENTS (SCOTLAND) LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:



Director

in the presence of:



Signature

RALPH LESLIE MCINTOSH Name



Address



Occupation

They are signed for and on behalf of  
**STEWART MILNE DEVELOPMENTS LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:



Director

in the presence of:



Signature

RALPH LESLIE MCINTOSH Name



Address



Occupation

They are signed for and on behalf of  
**STEWART MILNE CENTRAL LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**STEWART MILNE COMMERCIAL LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**STEWART MILNE HOMES (SOUTHERN) LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**STEWART MILNE PART EXCHANGE LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**DALGLEN (NO. 817) LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of September 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**A. & L. KING (BUILDERS) LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of September 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**STEWART MILNE PROPERTIES LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED] Occupation

They are signed for and on behalf of  
**STEWART MILNE WESTHILL LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED] Occupation

They are signed for and on behalf of  
**KING (KIRKTON) LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:



Director

in the presence of:



Signature

RALPH LESLIE MCINTOSH

Name



Address



Occupation

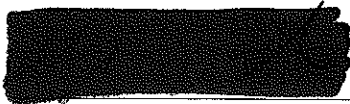
They are signed for and on behalf of  
**THE KING GROUP LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:



Director

in the presence of:



Signature

RALPH LESLIE MCINTOSH

Name



Address



Occupation

They are signed for and on behalf of  
**KING DEVELOPMENT COMPANY LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation

They are signed for and on behalf of  
**STEWART MILNE HOMES NORTH SCOTLAND LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:

[REDACTED] Director

in the presence of:

[REDACTED] Signature

RALPH LESLIE MCINTOSH Name

[REDACTED] Address

[REDACTED]

[REDACTED] Occupation



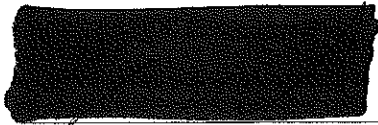
They are signed for and on behalf of  
**STEWART MILNE HOMES CENTRAL SCOTLAND LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:



Director

in the presence of:



Signature

RALPH LESLIE MCINTOSH

Name



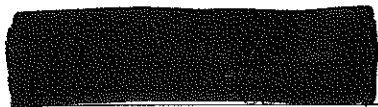
Address



Occupation

They are signed for and on behalf of  
**STEWART MILNE HOMES NORTH WEST ENGLAND LIMITED**  
at EDINBURGH  
on the 28th day of SEPTEMBER 2016

by:



Director

in the presence of:



Signature

RALPH LESLIE MCINTOSH

Name



Address



Occupation

They are signed for and on behalf of  
**STEWART MILNE TIMBER SYSTEMS LIMITED**  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016

by:



 Director

In the presence of:

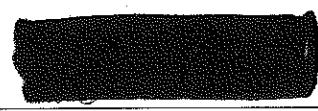
 Signature

RALPH LESLIE MURDOCH Name

 Address

  
 Occupation

They are signed for and on behalf of  
**BANK OF SCOTLAND PLC** as Security Agent  
by IAIN PIRRIE as attorney  
at EDINBURGH  
on the 28<sup>th</sup> day of SEPTEMBER 2016



 Attorney

in the presence of:

 Signature

ALASDAIR PRODFOOT Name

 Address

  
 Occupation

This is the Schedule consisting of three parts referred to in the preceding Assignment in Security between the companies listed in Part 1 of the Schedule hereto and Bank of Scotland plc as Security Agent dated *28 September* 2016

### The Schedule

#### Part 1

#### The Assignors

Name of Obligor	Registration number
Stewart Milne Group Limited	SC057709
Stewart Milne Investments (Scotland) Limited	SC063606
Stewart Milne Developments Limited	SC054259
Stewart Milne Central Limited	SC305012
Stewart Milne Commercial Limited	SC152943
Stewart Milne Homes (Southern) Limited	SC096898
Stewart Milne Part Exchange Limited	SC204848
Dalglen (No. 817) Limited	SC229722
A. & L. King (Builders) Limited	SC062886
Stewart Milne Properties Limited	SC145941
Stewart Milne Westhill Limited	SC305009
King (Kirkton) Limited	SC214204
The King Group Limited	SC091447
King Development Company Limited	SC115534
Stewart Milne Homes North Scotland Limited	SC545779
Stewart Milne Homes Central Scotland Limited	SC545400
Stewart Milne Homes North West England Limited	10375540
Stewart Milne Timber Systems Limited	10375531

## **The Schedule**

### **Part 2**

#### **The Relevant Contracts**

1. Inter-company loan agreement dated on or around the date hereof and entered into between (i) the Assignors as Borrowers, and (ii) the Assignors as Lenders.

**The Schedule****Part 3****Form of Notice**

To: [INSERT NAME OF THIRD PARTY]  
[INSERT ADDRESS OF THIRD PARTY]

Date: 2016

Dear Sirs

● **Limited**

[Identify Relevant Contract] dated ● between ● and ● (the "Relevant Contract")

We hereby notify you that pursuant to an assignation in security dated on or around the date hereof (the "**Assignment in Security**") granted by us in favour of Bank of Scotland plc as Security Agent (the "**Security Agent**") we have assigned our whole right, title and interest in and to the Relevant Contract in favour of the Security Agent.

We hereby irrevocably and unconditionally authorise and instruct you when instructed by the Security Agent in terms of the Assignment in Security:

1. to pay all amounts payable by you pursuant to or in connection with the Relevant Contract directly to the Security Agent to such account as it may specify; and
2. to comply with all instructions you receive from the Security Agent in relation to the Relevant Contract without reference to or further authority from us.

Please note that we continue to be liable to perform our obligations under the Relevant Contract and the Security Agent shall be under no obligation of any kind whatsoever in relation to the Relevant Contract.

Please sign and return the enclosed copy of this notice to the Security Agent at Bank of Scotland plc, ● marked for the attention of ● (with a copy to us at ●) in order to confirm that:

- (i) you have not received any notice that we have assigned all or any of our rights in and to the Relevant Contract (or otherwise granted any encumbrance, security or other interest in respect of the Relevant Contract) prior to receipt of this notification of the interest of the Security Agent; and
- (ii) you agree to act in accordance with the terms of this notification.

This letter shall be governed by Scots law.

Yours faithfully

---

For and on behalf of  
● LIMITED

Enc.

We hereby acknowledge receipt of the above letter of which this is a duplicate and confirm our agreement to the terms of paragraph (i) and (ii) above.

---

For and on behalf of  
[INSERT NAME OF THIRD PARTY]

Date: 2016