

MR01

Particulars of a charge



Companies House

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form MR08



A29 27/02/2016 #147
COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. Do not send the original

1 Company details

Company number 07368004
Company name in full CALEDONIAN CONSUMER FINANCE LTD

3 For official use
→ Filing in this form
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 22/02/2016

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name HONEYCOMB INVESTMENT TRUST PLC (CO NO 09899024)
(the "Secured Party")

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4	Brief description	
	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument	
Brief description	<p>None as at the date of this MR01</p> <p>First fixed charge taken over any future Real Property (as defined in the Instrument attached hereto) in which the Company has an interest from time to time</p> <p>Please refer to the Instrument attached hereto for further information</p>	<p>Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"</p> <p>Please limit the description to the available space</p>
5	Other charge or fixed security	
	<p>Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
6	Floating charge	
	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	
	<p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
8	Trustee statement ^①	
	<p>You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge</p> <p><input type="checkbox"/></p>	<p>^① This statement may be filed after the registration of the charge (use form MR06)</p>
9	Signature	
Signature	<p>Please sign the form here</p> <p>Signature</p> <p>X <i>Slaughter and May</i> X</p> <p><i>(on behalf of the Secured Party)</i></p> <p>This form must be signed by a person with an interest in the charge</p>	

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **GO/KXXT**

Company name **SLAUGHTER AND MAY**

Address **ONE BUNHILL ROW**

Post town **LONDON**

County/Region

Postcode **E C 1 Y 8 Y Y**

Country **UK**

DX

Telephone **0207 090 3983**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales.
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland.
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7368004

Charge code. 0736 8004 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd February 2016 and created by CALEDONIAN CONSUMER FINANCE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th February 2016 .

Given at Companies House, Cardiff on 4th March 2016



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED 22 February 2016

I certify that, save for material
redacted pursuant to s 859G of the
Companies Act 2006, this is a true
copy

Slaughter and May
26 February 2016

Caledonian Consumer Finance Ltd
as the Company

and

Honeycomb Investment Trust plc
as Secured Party

DEBENTURE CREATING
FIXED AND FLOATING CHARGES

Slaughter and May
One Bunhill Row
London EC1Y 8YY
GO/HJZB/KXXT

533459853

CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	PERFORMANCE OF SECURED OBLIGATIONS	7
3	FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE	7
4	CRYSTALLISATION OF FLOATING CHARGE	9
5	REPRESENTATIONS	9
6	GENERAL UNDERTAKINGS	11
7	REAL PROPERTY	12
8	INVESTMENTS	15
9	ACCOUNTS	16
10	RELEVANT CONTRACTS	17
11	FURTHER ASSURANCE	18
12	POWER OF ATTORNEY	19
13	EFFECTIVENESS OF SECURITY	19
14	RELEASE OF SECURITY	22
15	ENFORCEMENT	23
16	EXTENSION AND VARIATION OF POWERS CONFERRED BY LAW	26
17	APPOINTMENT OF RECEIVERS	27
18	DISCRETION AND DELEGATION	29
19	APPLICATION OF MONEYS	29
20	SUSPENSE ACCOUNT	30
21	PROTECTION OF THIRD PARTIES	30
22	NO LIABILITY	30
23	COSTS AND EXPENSES	31
24	STAMP TAXES	31

EXECUTION VERSION

DATED 22 February 2016

Caledonian Consumer Finance Ltd
as the Company

and

Honeycomb Investment Trust plc
as Secured Party

DEBENTURE CREATING
FIXED AND FLOATING CHARGES

Slaughter and May
One Bunhill Row
London EC1Y 8YY
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CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	PERFORMANCE OF SECURED OBLIGATIONS	7
3	FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE	7
4	CRYSTALLISATION OF FLOATING CHARGE	9
5	REPRESENTATIONS	9
6	GENERAL UNDERTAKINGS	11
7	REAL PROPERTY	12
8	INVESTMENTS	15
9	ACCOUNTS	16
10	RELEVANT CONTRACTS	17
11	FURTHER ASSURANCE	18
12	POWER OF ATTORNEY	19
13	EFFECTIVENESS OF SECURITY	19
14	RELEASE OF SECURITY	22
15	ENFORCEMENT	23
16	EXTENSION AND VARIATION OF POWERS CONFERRED BY LAW	26
17	APPOINTMENT OF RECEIVERS	27
18	DISCRETION AND DELEGATION	29
19	APPLICATION OF MONEYS	29
20	SUSPENSE ACCOUNT	30
21	PROTECTION OF THIRD PARTIES	30
22	NO LIABILITY	30
23	COSTS AND EXPENSES	31
24	STAMP TAXES	31

25	PAYMENTS FREE OF DEDUCTION	32
26	CERTIFICATES AND DETERMINATIONS	32
27	ASSIGNMENT	32
28	AMENDMENTS	33
29	NOTICES	33
30	REMEDIES AND WAIVERS	34
31	PARTIAL INVALIDITY	34
32	TRUSTS	35
33	EXECUTION AS A DEED	35
34	COUNTERPARTS	35
35	JURISDICTION	35
36	GOVERNING LAW	35
	SCHEDULE 1 ACCOUNTS	37
	SCHEDULE 2 RELEVANT CONTRACTS	38
	SCHEDULE 3 REAL PROPERTY	39
	SCHEDULE 4 SHARES	40
	SCHEDULE 5 NOTICES	41
	FORM OF NOTICE OF CHARGE – ACCOUNTS	41
	FORM OF ACKNOWLEDGEMENT OF NOTICE OF CHARGE – ACCOUNTS	43
	FORM OF NOTICE OF CHARGE/ASSIGNMENT – RELEVANT CONTRACTS	45
	FORM OF ACKNOWLEDGEMENT OF NOTICE OF ASSIGNMENT/CHARGE – RELEVANT CONTRACTS	47
	SIGNATURES	48

THIS DEBENTURE is made by way of deed on the date stated on the cover page of this Deed

PARTIES

- (1) **CALEDONIAN CONSUMER FINANCE LTD** a private company limited by shares incorporated in England and Wales with company number 07368004 whose registered office is at Enterprise House, 5 Roundwood Lane, Harpenden, Hertfordshire AL5 3BW (the "**Company**"), and
- (2) **HONEYCOMB INVESTMENT TRUST PLC** a public company limited by shares incorporated in England and Wales with company number 09899024 whose registered office is at Veritas House, 125 Finsbury Pavement, London EC2A 1NQ (the "**Secured Party**")

IT IS AGREED as follows

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms used in this Deed but not otherwise defined herein shall, unless the context requires otherwise, have the meanings given to them in the Loan Sale Agreement and in addition

"Account Bank" means any financial institution with whom an Account is opened or maintained

"Accounts" means all bank accounts (including, the accounts referred to in Schedule 1 (*Accounts*)), opened or maintained or by the Company with any other financial institution, including all credit balances and the debts represented by those credit balances from time to time on such accounts, accrued but unpaid interest and all Related Rights

"Charged Property" means

- (a) the Mortgaged Property, and
- (b) all other Real Property in which the Company has an interest (including any right to acquire or right of use or occupation) from time to time

"Costs and Expenses" means costs, charges, losses, liabilities, expenses and other sums (including legal, accountants' and other professional fees) and any Taxes thereon

"Delegate" means a delegate or sub-delegate appointed pursuant to Clause 18.2 (*Delegation*)

"Derived Assets" means any shares, stock or other assets which accrue or are offered, issued, paid or distributed at any time (by way of bonus, rights issue, redemption, reduction, conversion, exchange, substitution, consolidation, subdivision, preference, warrant, option, purchase, dividend or otherwise) in respect of any Investments

"Dissolution" includes, in relation to any person, any corporate action, legal proceedings or other procedure or step 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),
- (b) any composition, compromise, assignment or arrangement with any of its creditors,
- (c) the appointment of any liquidator, receiver, administrative receiver, compulsory manager or other similar officer in respect of it or any of its assets, or
- (d) the enforcement of any security interest over any of its assets,

or any analogous procedure or step taken in any jurisdiction

"Enforcement Event" has the meaning given to it in Clause 15.2 (*Enforcement Event*)

"Guarantor" means each of

- (a) the Company,
- (b) Carnegie Consumer Finance Ltd a private company limited by shares incorporated in Scotland with company number SC424688 whose registered office is at 151 West George Street, Glasgow G2 2JJ, and
- (c) JT Consultancy Limited a private company limited by shares with company number 03227957 whose registered office is at 56 Collingdon Street, Luton, Bedfordshire LU1 1RX,

together, the **"Guarantors"**

"Honeycomb Investment Trust plc" means Honeycomb Investment Trust plc a public company limited by shares incorporated in England and Wales with company number 09899024 whose registered office is at Veritas House, 125 Finsbury Pavement, London EC2A 1NQ

"Investments" means

- (a) all of the shares described in Schedule 4 (*Shares*),
- (b) any equity securities including shares and stock,
- (c) any debt securities and other forms of instrument giving rise to or acknowledging indebtedness including bonds, notes, certificates of deposit, depositary receipts, loan stock and debenture stock,
- (d) all interests in collective investment schemes, and
- (e) all warrants, options and other rights to subscribe, purchase, call for delivery or otherwise acquire any investments of a type described in the foregoing paragraphs,

and includes the Company's rights in or in respect of and claims relating to investments of a type specified in (a) to (e) above (and whether or not on a fungible basis), including any rights or claims against any trustee, nominee, depositary, intermediary, fiduciary, custodian or clearance or settlement system and all Related Rights

"Loan Sale Agreement" means the loan sale agreement made between, *inter alios*, the Company and the Secured Party dated on or around the date of this Deed

"LPA 1925" means the Law of Property Act 1925

"Material Adverse Effect" means a material adverse effect on

- (a) the ability of the Company (in whatever capacity) or the Guarantors to perform their respective obligations under the Transaction Documents, or
- (b) the validity or enforceability of, or the effectiveness or ranking of any security granted or purporting to be granted pursuant to, any of the Transaction Documents or the rights or remedies of the Secured Party (in whatever capacity) under or in connection with any of the Transaction Documents or the transactions contemplated by them

"Mortgaged Property" means the Real Property described in Schedule 3 (*Real Property*)

"Obligor" means each of the Sellers, Guarantors and the Servicer in whatever capacities under or in connection with any Transaction Document (together, the **"Obligors"**)

"Permitted Security" means

- (a) any security or Quasi-Security listed in appendix 1 to the Loan Sale Agreement except to the extent the principal amount secured by that security or Quasi-Security exceeds the amount stated in that appendix,
- (b) any netting or set-off arrangement entered into by the Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances,
- (c) any lien arising by operation of law and in the ordinary course of trading of the Company, and
- (d) any security or Quasi-Security granted by the Company to the Purchaser to secure the performance of the obligations under or in connection with the Loan Sale Agreement, including (without limitation) the Security

"Purchaser" means Honeycomb Investment Trust plc

"Quasi-Security" means an arrangement or transaction pursuant to which a person shall

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by such person,
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms,

- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or
- (d) enter into any other preferential arrangement having a similar effect

"Real Property" means any freehold, leasehold or other immoveable property together with any buildings and fixtures (including construction work in progress), fittings and fixed plant, machinery and equipment situated on or forming part of any such property and including all Related Rights

"Receivables" means any debts and monetary claims owing to the Company, including any such claims relating to or derived from any Relevant Contracts, in any case together with any proceeds of such debts and monetary claims and all Related Rights

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets

"Related Rights" means, in relation to any asset

- (a) the proceeds of sale or other disposal of any part of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all other assets and rights at any time receivable or distributable in respect of, or in exchange for, that asset,
- (d) the benefit of all rights in respect of or appurtenant to that asset (including, the benefit of all claims, distributions, covenants for title, warranties, guarantees, indemnities and security interests), and
- (e) any moneys and proceeds paid or payable in respect of that asset,

and (to the extent not included in paragraphs (a) to (e) above), in relation to Investments, includes all Derived Assets and all cash dividends, interest and other sums paid or payable in respect of any Investments

"Relevant Contracts" means any contract or agreement (including, those referred to in Schedule 2 (Relevant Contracts)) to which the Company is a party from time to time or in which the Company otherwise has an interest, together with all Related Rights

"Secured Obligations" means all present and future obligations and liabilities of an Obligor (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become, due, owing or payable to the Secured Party under or in connection with any Transaction Document, together with all costs, charges and expenses incurred by the Secured Party which are, or are expressed to be, or may become due, owing or payable by an Obligor (whether owed jointly or severally or in any other capacity whatever) under or in connection with any Transaction Document

"Security" means the security interests constituted or expressed to be constituted in favour of the Secured Party by or pursuant to this Deed

"Security Assets" means all the assets which from time to time are the subject of the Security

"Security Rights" means all rights of the Secured Party or any Receiver or Delegate provided by or pursuant to this Deed or by law in respect of the subject matter of this Deed

"Seller" means each of

- (a) the Company, and
- (b) Carnegie Consumer Finance Ltd a private company limited by shares incorporated in Scotland with company number SC424688 whose registered office is at 151 West George Street, Glasgow G2 2JJ,

together, the **"Sellers"**

"Servicer" means the Company in its capacity as Servicer under the Loan Sale Agreement

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles and other chattels in which the Company may have an interest from time to time, in each case, together with all Related Rights

"Tax" or "Taxation" includes (without limitation) all taxes, levies, duties, imposts, charges and withholdings of any nature whatsoever, whether of the United Kingdom or elsewhere, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them

"Transaction Documents" has the meaning given to such term in the Loan Sale Agreement

1 2 Construction of Particular Terms

In this Deed unless otherwise specified, any references to

- (a) **"assets"** includes properties, revenues and rights of every kind, present, future and contingent and whether tangible or intangible,
- (b) **"authorisation" or "consent"** shall be construed as including any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration,
- (c) a **"company"** includes any company, corporation or other body corporate, wherever and however incorporated or established,
- (d) **"this Deed"** or any other agreement or instrument is a reference to this Deed or other agreement or instrument as it may have been amended, supplemented, replaced or novated from time to time and includes a reference to any document which amends, supplements, replaces, novates or is entered into, made or given pursuant to or in

accordance with any of the terms of this Deed or, as the case may be, the relevant deed, agreement or instrument,

- (e) **"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,
- (f) **"law"** includes any present or future common or customary law, principles of equity and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, bye-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of a person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
- (g) a **"person"** includes any person, firm, company, government, state or agency of a state, any local or municipal authority, trust or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing,
- (h) **"qualified person"** means a person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or an administrative receiver of any such company,
- (i) **"rights"** includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi easements and appurtenances (in each case, of every kind, present, future and contingent), and
- (j) **"security"** includes any mortgage, charge, pledge, lien, security assignment, hypothecation or trust arrangement for the purpose of providing security and any other encumbrance or security interest of any kind having the effect of securing any obligation of any person (including the deposit of moneys or property with a person with the intention of affording such person a right of lien, set-off, combination or counter-claim) and any other agreement or any other type of arrangement having a similar effect (including any "flawed-asset" or "hold back" arrangement) and **"security interest"** shall be construed accordingly

1 3 Interpretation of this Deed

- (a) Unless a contrary indication appears, a reference to any party or person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests
- (b) Unless a contrary indication appears, a reference to a time of day shall be construed as referring to London time
- (c) The terms "include", "includes" and "including" shall be construed without limitation

- (d) A reference in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed
- (e) Clause and Schedule headings are for ease of reference only and shall be ignored in construing this Deed
- (f) Unless a contrary indication appears, references to any provision of any law are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re enacted, and as referring to all bye laws, instruments, orders, decrees, ordinances and regulations for the time being made under or deriving validity from that provision

1 4 Third Party Rights

- (a) Save as otherwise provided in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed
- (b) 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
- (c) Any Receiver or Delegate may, subject to this Clause and the Contracts (Rights of Third Parties) Act 1999, rely on any Clause of this Deed which expressly confers rights on it

2 PERFORMANCE OF SECURED OBLIGATIONS

2 1 Covenant to Pay

The Company shall pay and discharge all Secured Obligations at the times when, in the manner in which, and in the currencies in which they are expressed to be due and payable

2 2 Interest on Demands

If the Company fails to pay any Secured Obligation on its due date, interest shall accrue on the overdue amount from the due date until the date of actual payment (both before and after judgment) calculated on a daily basis at the annual rate of 4 per cent above the base rate of National Westminster Bank plc from time to time

3 FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

3 1 Fixed Charges

As continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, with full title guarantee and free of any security interest, the Company charges all its right, title and interest from time to time in and to each of the following assets in favour of the Secured Party

- (a) the Mortgaged Property, by way of first legal mortgage, and

- (b) all other Charged Property, by way of first fixed charge,
- (c) the Tangible Moveable Property, by way of first fixed charge,
- (d) the Investments by way of first fixed charge,
- (e) the Accounts, by way of first fixed charge,
- (f) the Relevant Contracts, by way of first fixed charge (other than any contracts or agreements which are otherwise assigned pursuant to Clause 3.2 (Assignments)),
- (g) the Receivables, by way of first fixed charge (other than any claims which are otherwise subject to a fixed charge pursuant to this Deed), and
- (h) all goodwill and rights in relation to the uncalled capital of the Company, by way of first fixed charge,

in each case subject to obtaining the consent of The Royal Bank of Scotland plc to such mortgage or fixed charge

3.2 Assignments

As continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, with full title guarantee and free of any security interest, the Company assigns absolutely all its right, title and interest from time to time in and to the agreements and/or contracts referred to in Schedule 2 (Relevant Contracts) together with all Related Rights

3.3 Floating Charge

- (a) As continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, with full title guarantee and free of any security interest (save for Permitted Security), the Company charges by way of first floating charge all its present and future assets, property, business, undertaking and uncalled capital together with all Related Rights, which are not at any time effectively charged by virtue of Clause 3.1 (Fixed Charges) or effectively assigned by virtue of Clause 3.2 (Assignments), in favour of the Secured Party
- (b) This floating charge shall be without prejudice to and shall rank behind all fixed Security but shall rank in priority to any other security interest created by the Company after the date of this Deed
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by this Deed

4 CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation by Notice

The Secured Party may at any time by notice in writing to the Company convert the floating charge created by Clause 3.3 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if

- (a) an Enforcement Event has occurred, or
- (b) the Secured Party reasonably considers that any of the Security Assets may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy, or
- (c) the Secured Party reasonably considers that it is desirable in order to protect the priority of the Security

4.2 Automatic Crystallisation

Notwithstanding Clause 4.1 (*Crystallisation by Notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically and immediately be converted into a fixed charge as regards all the Security Assets subject to the floating charge if

- (a) the Company creates or attempts to create or permits to subsist any security interest (other than Permitted Security) affecting any of the Security Assets, or
- (b) any person levies or attempts to levy any distress, attachment, execution or other process against any of the Security Assets, or
- (c) an administrator is appointed in respect of the Company or Dissolution occurs in relation to the Company

5 REPRESENTATIONS

The Company makes the representations and warranties set out in this Clause to the Secured Party on the date of this Deed

5.1 Binding obligations

- (a) The obligations expressed to be assumed by the Company in this Deed are legal, valid, binding and enforceable obligations, and
- (b) Without limiting the generality of paragraph (a) above, this Deed creates the security interests which it purports to create and those security interests are valid and effective

5.2 Beneficial owner

The Company is the sole legal and beneficial owner of the respective Security Assets over which it purports to grant Security

5.3 Ranking

Except to the extent that the Security ranks subsequent to any security listed in appendix 2 to the Loan Sale Agreement, the Security has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking security

5.4 No existing security

No security interest (other than the Permitted Security) exists on, over or in relation to any of the Security Assets at the date of this Deed

5.5 Validity and admissibility in evidence

All authorisations required or desirable

- (a) to enable the Company lawfully to enter into, exercise its rights and comply with its obligations under this Deed, and
- (b) to make this Deed admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect

5.6 No filing or stamp taxes

Under the law of its jurisdiction of incorporation 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 or similar tax be paid on or in relation to this Deed or the transactions contemplated by this Deed

5.7 No default

No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect

5.8 Insolvency

No

- (a) corporate action, legal proceeding or other procedure or step described in paragraph (g) of Clause 15.2 (Enforcement Event), or
- (b) creditors' process described in paragraph (i) of Clause 15.2 (Enforcement Event),

has been taken or threatened in relation to the Company, and none of the circumstances described in paragraphs (d)-(f) of Clause 15.2 (Enforcement Event) applies to the Company

5 9 Repetition

Each of the representations (excluding those set out in Clause 5 4 (*No existing security*) above) will be correct and complied with in all respects at all times during the continuance of the security created under this Deed as if repeated by reference to the then existing circumstances

6 GENERAL UNDERTAKINGS

6 1 Negative Pledge

The Company shall not create or permit to subsist any security or Quasi-Security over all or any part of the Security Assets other than Permitted Security

6 2 No Disposal

The Company shall not enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer, assign, lease, licence or otherwise dispose of any interest in a Security Asset without the prior written consent of the Secured Party, except that

- (a) no prior written consent shall be required in respect of a transaction in the ordinary course of the business of the Company or otherwise as expressly contemplated by the Transaction Documents, other than to the extent that such transaction involves the disposal of an interest in Investments, and
- (b) no prior written consent shall be required in respect of a transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer, assign, lease, licence or otherwise dispose of any interest in an Investment provided that
 - (i) the Secured Obligations are less than £7,000,000 and at the request of the Company (which request may be made at any time), the Secured Party has confirmed to the Company in writing that this is the case,
 - (ii) such sale, transfer, assignment, lease, licence or disposal is to be undertaken on arm's length terms at or around the then prevailing market price for the relevant Investment, and
 - (iii) the proceeds arising upon the relevant sale, transfer, assignment, lease, licence or disposal (net of any costs and expenses reasonably and properly incurred by the Company) are applied in full or partial discharge of the Secured Obligations on such terms as the Company and the Secured Party (acting reasonably) may agree at the time of the relevant transaction, provided always that if the amount of such net proceeds exceeds the Secured Obligations such that Aggregate Purchaser Receipts, taking into account the amount of such net proceeds transferred to the Secured Party in discharge of the Secured Obligations, are sufficient to result in an IRR equal to the Guaranteed Return, any balance of such proceeds shall be for the account to the Company, and no further restriction shall apply in respect of any further sale of Investments

6.3 Preservation of Security Assets

- (a) The Company shall not take or permit any action which would or might adversely affect the value or otherwise depreciate, impair or prejudice any Security Asset or the Security Rights or result in an Enforcement Event
- (b) The Company shall keep or cause to be kept all of the Security Assets in good and substantial repair and condition
- (c) The Company shall punctually pay, as they become due, all debts and liabilities which by law would have priority over all or any part of the Secured Obligations
- (d) The Company shall not fix or permit the affixing of any of the Security Assets to any Real Property which is not itself a Security Asset

6.4 Information and Access

- (a) The Company shall from time to time on request of the Secured Party provide the Secured Party with such information as the Secured Party may reasonably require about the Company's business and affairs, the Security Assets and compliance by the Company with the terms of this Deed
- (b) The Company shall permit the Secured Party, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to inspect and take copies and extracts from the books, accounts and records of the Company and to view the Security Assets
- (c) The Company shall promptly notify the Secured Party of any litigation, arbitration or administrative proceedings commenced, pending or threatened against it or any of its Subsidiaries or any other event which would or might materially adversely affect the value or otherwise depreciate, impair or prejudice any Security Asset or the Security Rights or result in an Enforcement Event

7 REAL PROPERTY

7.1 Perfection Real Property

- (a) Immediately upon execution of this Deed, the Company shall deposit with the Secured Party, as security for the Secured Obligations, all deeds and documents evidencing its title and interest in the Mortgaged Property
- (b) The Company consents to application being made to H M Land Registry for each of the following to be entered on the register of the title to the Mortgaged Property registered under the Land Registration Act 2002
 - (i) a notice in the following terms

*No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered

before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Honeycomb Investment Trust plc referred to in the charges register (or their conveyancer)", and

- (ii) a notice of the floating charge created by this Deed
- (c) The Company, if so required by the Secured Party, shall notify the landlord of any leasehold property forming part of the Security Assets, and obtain as soon as possible written confirmation (in a form satisfactory to the Secured Party), from each landlord that it consents to the security created or evidenced by this Deed

7.2 Future Real Property

- (a) The Company shall immediately notify the Secured Party of any contract, conveyance, transfer or other disposition for the acquisition by the Company (or its nominee(s)) of any Real Property
- (b) The Company shall, in respect of any estate or interest in Real Property acquired by it after the date of this Deed
 - (i) execute and deliver, or procure that there is executed, and delivered to the Secured Party, one of the following
 - (A) if such estate or interest relates to Real Property in England or Wales, a first fixed charge in the form required by the Secured Party which will be supplemental to and on the terms and conditions of this Deed,
 - (B) if such estate or interest relates to Real Property outside England and Wales, an instrument appropriate to create a similar security interest in that jurisdiction containing such terms and conditions as the Secured Party may require,

in each case to secure the payment and discharge of the Secured Obligations (and pending execution of any such security documents the Company shall hold all its estate and interest in the relevant Real Property upon trust for the Secured Party, as security for the Secured Obligations),

- (ii) if title to such estate or interest is (either before or after its acquisition) registered or required to be registered under the Land Registration Act 2002
 - (A) notify the Secured Party of the title number as soon as it is available, and
 - (B) apply to H M Land Registry to enter notices on the register in the manner referred to in paragraph (b) of Clause 7.1 (Perfection Real Property) or otherwise as required by the Secured Party, and

- (iii) in relation to any leasehold property, notify and obtain confirmation from the landlord in the manner referred to in paragraph (c) of Clause 7.1 (*Perfection Real Property*) or otherwise as required by the Secured Party

7.3 Undertakings Real Property

- (a) The Company shall
 - (i) repair and keep in good and substantial repair and condition all Real Property at any time forming part of the Security Assets,
 - (ii) not at any time sever or remove any of the fixtures forming part of the Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Real Property (except for the purpose of any necessary repairs or replacement), and
 - (iii) comply with and observe and perform the following in relation to or affecting the Real Property
 - (A) the requirements of all applicable planning and environmental laws,
 - (B) any conditions attaching to any planning permissions, and
 - (C) any notices or other orders made by any planning, environmental or other public body
- (b) The Company shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of the Security Assets is at any time subject
 - (i) pay the rents (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or, (if the lessee) on the lessee, and
 - (ii) not do any act or thing whereby any lease or other document which gives any right to occupy any part of the Security Assets becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term

7.4 Default Real Property

If the Company fails to comply with any of the undertakings contained in Clause 7.3 (*Undertakings Real Property*), the Secured Party shall be entitled (with such agents, contractors and others as it sees fit), to do such things as may, in the opinion of the Secured Party, be required to remedy such failure and all moneys spent by the Secured Party in doing so shall be reimbursed by the Company on demand with interest from the date of payment by the Secured Party until reimbursement at a rate specified and calculated in accordance with Clause 2.2 (*Interest on Demands*)

8 INVESTMENTS

8.1 Perfection Investments

The Company shall, on the date of this Deed in relation to the Investments, procure that details of the security created under this Deed are noted on the relevant register of members and/or any nominee or custodian holding any Investments is notified of the existence of such security

8.2 Future Investments

In relation to Investments acquired after the date of this Deed (including comprised in any Derived Assets), the Company shall promptly notify the Secured Party and comply with each of the obligations set out in Clause 8.1 (*Perfection Investments*) within two Business Days of the date of acquisition of such Investments or otherwise as required by the Secured Party

8.3 Undertakings Shares and Investments

- (a) Prior to the occurrence of an Enforcement Event the Company shall
 - (i) pay all amounts representing dividends, interest and other moneys in respect of any Investments into an Account, and
 - (ii) exercise all voting rights in relation to the Investments, provided that the exercise of such rights
 - (A) is not inconsistent with the terms of this Deed or the Transaction Documents, and
 - (B) does not adversely affect the validity or enforceability of this Deed or the Transaction Documents
- (b) The Company shall
 - (i) promptly pay any amounts which may be due or become due in respect of the Investments,
 - (ii) forward copies of all notices, documents and other communications received by it or its nominee in connection with the Investments to the Secured Party promptly upon receipt, and
 - (iii) notify any subsequent chargee or person acquiring any interest whatsoever in the Investments of the existence of the Security

8.4 Role of Secured Party or nominee

The Company shall at all times remain liable to observe and perform all of the other conditions and obligations relating to the Investments. The Secured Party shall not be required to perform or fulfil any such conditions or obligations

8 5 Default Shares and Investments

If the Company defaults on any payment which may be due or become due in respect of the Investments, the Secured Party may make such payment on behalf of the Company, and the Company shall reimburse the Secured Party on demand together with interest from the date of payment by the Secured Party until reimbursement at the rate specified in and calculated in accordance with Clause 2 2 (Interest on Demands)

9 ACCOUNTS

9 1 Perfection Accounts

- (a) The Company shall promptly deliver (or procure the delivery of) the following
 - (i) on the date of this Deed (and, if any change occurs thereafter, on the date of such change), details (including Account Bank name, address and sort code and Account name, number and currency) of each Account to the Secured Party, and
 - (ii) if required by the Secured Party, on the date of this Deed and upon the opening of any Account after the date of this Deed or otherwise as required by the Secured Party, notices of charge in respect of each Account, duly executed and substantially in the form set out in Schedule 5 (Notices) to each Account Bank with which such an Account is opened or maintained
- (b) The Company shall procure as soon as possible that each notice referred to in (a)(ii) above is acknowledged by the recipient substantially in the form set out in Schedule 5 (Notices) or otherwise in a form satisfactory to the Secured Party

9 2 Undertakings Accounts and Receivables

- (a) The Company shall not at any time deal or factor or (outside of debt recovery in accordance with Good Industry Practice) discount any of the Receivables (or enter into any agreement to do so) save that the Company shall get in and realise the Receivables and shall pay the proceeds of such Receivables that are applicable to any Portfolio Assets as the Secured Party may require. The proceeds of the Receivables shall be held upon trust by the Company for the Secured Party on behalf of the Secured Parties prior to such payment in
- (b) Prior to the occurrence of an Enforcement Event, the Company may make withdrawals from any of the Accounts
- (c) The Company shall not permit or agree to any variation of the rights attaching to any Account or close any Account without the prior written consent of the Secured Party

10 RELEVANT CONTRACTS

10.1 Perfection Relevant Contracts

- (a) The Company shall promptly deliver (or procure delivery of) the following
 - (i) if required by the Secured Party, deliver to the Secured Party on the date of this Deed (and, if any change occurs thereafter, on the date of such change), details of each Relevant Contract, including date, counterparties and significant obligations (if any), and
 - (ii) if required by the Secured Party, on the date of this Deed and upon the Company becoming a party to, or otherwise acquiring an interest in, any Relevant Contract after the date of this Deed or otherwise as required by the Secured Party, notices of charge and/or notices of assignment in respect of each such Relevant Contracts as the Secured Party may require, duly executed and substantially in the form set out in Schedule 5 (Notices) to such persons as the Secured Party may require
- (b) The Company shall procure as soon as possible that each notice referred to in (a)(ii) below is acknowledged by the recipient substantially in the form set out in Schedule 5 (Notices) or otherwise in a form satisfactory to the Secured Party

10.2 Undertakings Relevant Contracts

- (a) The Company shall not without the prior written consent of the Secured Party
 - (i) amend, supplement, vary or waive any provision of any Relevant Contract (or agree to do so),
 - (ii) exercise any right to rescind, cancel or terminate a Relevant Contract,
 - (iii) release any counterparty from its obligations under a Relevant Contract,
 - (iv) waive any breach by any counterparty or consent to any act or omission which would otherwise constitute a breach under any Relevant Contract, or
 - (v) novate, transfer or assign any of its rights under any Relevant Contract (save as provided pursuant to this Deed)
- (b) The Company shall, subject to Clause 15.6 (Security Enforceable – Accounts and Receivables)
 - (i) pay all moneys received under any Relevant Contract into an Account as required by, and pending application in accordance with, the Transaction Documents,

- (ii) duly perform its obligations and diligently pursue its rights under each of the Relevant Contracts, provided that the exercise of such rights is not inconsistent with the terms of any Transaction Document
- (c) The Company will provide the Secured Party as soon as practicable upon receipt, copies of all notices which it may from time to time receive from any counterparty to any Relevant Contract

11 FURTHER ASSURANCE

11.1 General

The Company shall (at its own cost), promptly take all action necessary or appropriate to

- (a) ensure that the Security is and remains valid, legally binding and enforceable,
- (b) perfect, preserve or protect the Security and its priority,
- (c) confer on the Secured Party security interests over any of its property and assets located in any jurisdiction outside England and Wales equivalent or similar to the Security, and/or
- (d) facilitate the exercise of any and all of the Security Rights and the realisation of the Security Assets,

including the execution of all such mortgages, charges, assignments and other documents, the giving of all such notices, orders, instructions and directions and the making of all such registrations and filings as the Secured Party or any Receiver or Delegate may reasonably consider necessary from time to time

11.2 Consents

The Company shall obtain as soon as possible (in a form satisfactory to the Secured Party) any consents necessary to enable each asset of the Company to be the subject of the security interest expressed to be created in respect of that asset pursuant to Clause 3 (*Fixed Charges, Assignments and Floating Charge*) Immediately upon obtaining any such consent, the Company shall promptly deliver a copy of each consent to the Secured Party

11.3 Implied Covenants for Title

The obligations of the Company 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

12 POWER OF ATTORNEY

12 1 Appointment

The Company appoints as its attorney, irrevocably (within the meaning of section 4 of the Powers of Attorney Act 1971) and by way of security for the performance of its obligations under this Deed, the Secured Party and any person nominated in writing by the Secured Party, severally (with full powers of substitution and delegation), on its behalf and in its name or otherwise and as its act and deed, at such time and in such manner as the attorney may think fit

- (a) to take any action which it is obliged to take under this Deed but has not taken, and
- (b) to take any action required to enable the Secured Party to exercise all or any of the Security Rights following the occurrence of an Enforcement Event,

and the taking of action by the attorney or attorneys shall (as between the attorney and any third party) be conclusive evidence to any third party of its right to take such action

12 2 Ratification

The Company undertakes to ratify and confirm everything that any attorney properly does or purports to do in the proper exercise or purported exercise of the power of attorney in Clause 12 1 (Appointment)

13 EFFECTIVENESS OF SECURITY

13 1 Continuing Security

- (a) The Security shall remain in full force and effect as continuing security for the Secured Obligations unless and until discharged by the Secured Party in accordance with Clause 14 (Release of Security)
- (b) No part of the Security will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

13 2 Additional Security

The Security and the Security Rights shall be cumulative, in addition to and independent of every other security which the Secured Party may at any time hold for the Secured Obligations or any other rights provided by law. No prior security held by the Secured Party (in any capacity) over the whole or any part of the Security Assets shall merge into the Security

13 3 No Prejudice

Without prejudice to any other provision of this Deed, none of the Security, its priority, the Security Rights nor the liability of the Company or any other person under or in connection with any Transaction Document shall be prejudiced, reduced, released or otherwise adversely

affected by any act, omission, fact or any other thing which but for this Clause would or may do so, including

- (a) any time, waiver or consent granted, or any other indulgence or concession granted to the Company or any other person,
- (b) the release of the Company or any other person under the terms of any composition or arrangement with any creditor,
- (c) the taking, holding, variation, compromise, exchange, renewal, realisation or release by any person of any rights under or in connection with any security, guarantee, indemnity or any other document including any arrangement or compromise entered into by the Secured Party with the Company or any other person,
- (d) the refusal or failure to take up, hold, perfect or enforce by any person any rights under or in connection with any security, guarantee, indemnity or other document (including, any failure to comply with any formality or other requirement or any failure to realise the full value of any security),
- (e) the existence of any claim, set-off or other right which the Company may have at any time against the Secured Party or any other person,
- (f) the making or absence of any demand for payment or discharge of any Secured Obligations,
- (g) any amalgamation, merger or reconstruction that may be effected by the Secured Party with any other person, including any reconstruction by the Secured Party involving the formation of a new company and the transfer of all or any of its assets to that company, or any sale or transfer of the whole or any part of the undertaking and assets of the Secured Party to any other person,
- (h) any incapacity, lack of power, authority or legal personality of or Dissolution or change in the members or status of the Company or any other person,
- (i) any variation, amendment, waiver, release, novation, supplement, extension or restatement or replacement of the Loan Sale Agreement, or any other security, guarantee, indemnity or other document, in each case however fundamental and of whatsoever nature,
- (j) any change in the identity of the Secured Party, or
- (k) any unenforceability, illegality or invalidity of any obligation of any person under or in connection with any Transaction Document or any other security, guarantee, indemnity or other document

13.4 Details of Security Assets

The fact that no or incomplete details of any Security Asset are inserted in the Schedules to this Deed shall not affect the validity or enforceability of the Security

13.5 Immediate recourse

The Company waives any right it may have of first requiring the Secured Party to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company under this Deed. The waiver applies irrespective of any law or any provision of this Deed to the contrary.

13.6 Deferral of Rights

- (a) Until such time as the Security has been released in accordance with Clause 14 (Release of Security), the Company will not exercise any rights which it may have
- (i) to claim, rank, prove or vote as a creditor of any other party to any Transaction Document, or
 - (ii) to receive, claim or have the benefit of any payment, guarantee, indemnity, contribution or security from or on account of any such party (in whole or in part or whether by way of subrogation or otherwise), and/or
 - (iii) of set-off, combination or counter-claim or in relation to any "flawed-asset" or "hold back" arrangement as against any such party
- (b) The Company shall hold on trust for, and immediately pay or transfer to, the Secured Party an amount equal to any payment or benefit received by it contrary to paragraphs (a)(i) or (ii) above
- (c) If the Company exercises any right of set-off, combination or counter-claim or any rights in relation to any "flawed asset" or "hold back arrangement" contrary to (a)(iii) above, it will immediately pay or transfer to the Secured Party an amount equal to the amount set-off, combined or counterclaimed
- (d) The Secured Party shall apply all amounts received pursuant to (b) and (c) above in accordance with Clause 19 (Application of Moneys)

13.7 Insolvency Act 2000

Notwithstanding the other provisions of this Deed, the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, in relation to a voluntary arrangement under the Insolvency Act 1986 for the Company, will not by itself

- (a) cause any floating charge granted by the Company under this Deed to crystallise, nor
- (b) cause restrictions in this Deed which would not otherwise apply to be imposed on the disposal of property by the Company, nor
- (c) be a ground for the appointment of a Receiver of the Company

14 RELEASE OF SECURITY

14.1 Review of Security

Promptly following the first anniversary of the date of this Deed, the Secured Party shall consult in good faith with the Company to assess the continued requirement for the Company to grant security over some or all of the Security Assets as security for the Secured Obligations, having regard to, *inter alia*

- (a) the extent of the Secured Obligations (both actual and potential),
- (b) the value of the Security Assets, together with the value of all other assets over which security has been granted in favour of the Secured Party pursuant to the Transaction Documents as security for the Secured Obligations,
- (c) the creditworthiness of the Obligors, taken as a whole, and
- (d) the actual performance and, having regard to such actual performance, the expected further performance of the Portfolio Assets

If, following such assessment, the Secured Party (acting reasonably) determines that the aggregate value of the assets over which security has been granted in its favour pursuant to the Transaction Documents as security for the Secured Obligations exceeds the Secured Obligations by not less than £1,000,000 (one million pounds) such that all or part of the Security Assets may be released from the Charge, it shall notify the Company in writing and shall at the request and cost of the Company, take all necessary action to release the relevant Security Assets from the Security

14.2 Release of Security Assets

If the Secured Party is satisfied that

- (a) all Secured Obligations have been unconditionally and irrevocably paid or discharged in full, which payment or discharge shall include the achievement of the Guaranteed Return in respect of all Portfolio Assets,
- (b) security or a guarantee, in either case, for the Secured Obligations acceptable to the Secured Party, has been provided in substitution for this Deed, or
- (c) the Company is unconditionally entitled pursuant to any provision of this Deed or the Loan Sale Agreement to have any Security Asset released from the Security,

then, subject to Clause 14.3 (Reinstatement), the Secured Party shall, at the request and cost of the Company, take all necessary action to release the Security Assets (or, in the case of (c) above, the relevant Security Assets), from the Security

14.3 Reinstatement

If the Secured Party considers that any payment to, or security or guarantee provided to it is capable of being avoided, reduced or invalidated by virtue of applicable law the liability of the Company under this Deed and the Security shall continue as if such amounts had not been paid or as if any such security or guarantee had not been provided

15 ENFORCEMENT

15.1 Timing of Enforcement

The Security shall be enforceable immediately upon and at any time after the occurrence of an Enforcement Event

15.2 Enforcement Event

Each of the following events or circumstances shall constitute an Enforcement Event

- (a) a failure by an Obligor to pay any amount expressed to be due, owing or payable under, in connection with or in accordance with the Loan Sale Agreement within 5 days of that amount becoming due,
- (b) a material breach of any provision of a Transaction Document by any party other than the Secured Party (in whatever capacity) where such breach has not been remedied (if capable of remedy) within 15 days of a notice given by the Secured Party requiring the breach to be cured,
- (c) any representation or statement made or deemed to be made by any party (other than the Secured Party in any capacity) in the Transaction Documents or any other document delivered by or on behalf of any party (other than the Secured Party in any capacity) under or in connection with any Transaction Document is or proves to have been incorrect or misleading when made or deemed to be made and has resulted or can reasonably be expected to result in a material Loss to the Secured Party,
- (d) an Obligor
 - (i) is unable or admits inability to pay its debts as they fall due,
 - (ii) is deemed to, or is declared to, be unable to pay its debts under applicable law,
 - (iii) suspends or threatens to suspend making payments on any of its debts, or
 - (iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Secured Party in its capacity as such or as Purchaser under the Loan Sale Agreement) with a view to rescheduling any of its indebtedness,
- (e) the value of the assets of an Obligor is less than its liabilities (taking into account contingent and prospective liabilities),

- (f) a moratorium is declared in respect of any indebtedness of an Obligor,
- (g) any corporate action, legal proceedings or other procedure or step is taken in relation to
 - (i) 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 an Obligor,
 - (ii) a composition, compromise, assignment or arrangement with any creditor of an Obligor,
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of an Obligor or any of its assets, or
 - (iv) enforcement of any security over any assets of an Obligor,
 or any analogous procedure or step is taken in any jurisdiction
- (h) paragraph (g) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 days of commencement,
- (i) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of an Obligor and is not discharged within 20 days,
- (j) any party (other than the Secured Party in any capacity) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any security interest created pursuant thereto or evidences an intention to rescind or repudiate a Transaction Document or any security interest created pursuant thereto,
- (k) any event or circumstance occurs which the Secured Party reasonably believes would or might have a Material Adverse Effect,
- (l) it is or becomes unlawful for any party (other than the Secured Party in any capacity) to perform any of its obligations under or in connection with any Transaction Document or any security interest created or expressed to be created or evidenced by the Transaction Documents ceases to be effective,
- (m) any obligation or obligations of any party (other than the Secured Party in any capacity) under any Transaction Document are not or cease to be legal, valid, binding or enforceable and the cessation materially adversely affects the interests of the Secured Party under the Transaction Documents, and
- (n) any Transaction Document ceases to be in full force and effect or any security interest created or expressed to be created or evidenced by the Transaction Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than the Secured Party in any capacity) to be ineffective

15.3 Enforcement Rights

Upon or after the Security becoming enforceable the Secured Party may, without notice to the Company or any Obligor or prior authorisation from any court enforce all or any part of that Security and exercise all or any of the powers, authorities and discretions conferred by this Deed or the Transaction Documents or otherwise by law on mortgagees, chargees and Receivers (whether or not it has appointed a Receiver), in each case at the times, in the manner and on the terms it thinks fit

15.4 Security Enforceable - Contractual Rights

Upon or after the Security becoming enforceable

- (a) the Secured Party may exercise any of the Company's rights under the Relevant Contracts, and
- (b) the Company shall hold all moneys received under any Relevant Contracts on trust for the Secured Party pending payment to the Secured Party for application in accordance with Clause 19 (Application of Moneys)

15.5 Security enforceable – Shares and Investments

Upon or after the Security becoming enforceable

- (a) the Secured Party may exercise (or refrain from exercising) any voting rights in respect of the Investments,
- (b) the Company shall hold all dividends, interest and other moneys arising from the Investments on trust for the Secured Party pending payment to the Secured Party for application in accordance with Clause 19 (Application of Moneys),
- (c) the Company shall transfer the Investments into the name of such nominee(s) of the Secured Party as the Secured Party shall require, and
- (d) the Company shall exercise (or refrain from exercising) any other rights conferred on or exercisable by the legal or beneficial owner of the Investments in such manner and on such terms as the Secured Party may think fit

15.6 Security Enforceable – Accounts and Receivables

Upon or after the Security becoming enforceable

- (a) the Company shall not be entitled to receive, withdraw or otherwise transfer any amount from any Account except with the prior written consent of the Secured Party, and
- (b) any permission to use amounts withdrawn from the Accounts (whether pursuant to the Loan Sale Agreement, this Deed or otherwise) is expressly revoked and the Company shall hold such amounts of trust for the Secured Party together with the proceeds of the

Receivables pending payment to the Secured Party for application in accordance with Clause 19 (Application of Moneys)

15.7 Financial Collateral Regulations

- (a) To the extent that any of the Security Assets, this Deed and the rights and obligations of the parties under this Deed constitute a "security financial collateral arrangement" (as defined in and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226) (the "**Regulations**")) at any time on or after the Security becoming enforceable, the Secured Party shall have the benefit of all of the rights of a collateral taker conferred upon it by the Regulations, including the right to appropriate all or any part of the financial collateral (as defined in the Regulations) in or towards discharge of the Secured Obligations
- (b) The parties agree that the value of the financial collateral (as defined in the Regulations) so appropriated shall be
 - (i) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised, and
 - (ii) in the case of any other financial collateral (as defined in the Regulations), the market value of such financial collateral determined (after appropriation) by the Secured Party by reference to a public index or by such other process as the Secured Party may select, which may be independent valuation

The parties agree that the methods of valuation set out in paragraphs (b)(i) and (b)(ii) above are commercially reasonable methods of valuation for the purposes of the Regulations

15.8 Set-off

The Secured Party may (but shall not be obliged to) set off against any obligation of the Company due and payable by it to or for the account of the Secured Party under this Deed, any amount payable by the Secured Party to the Company (whether under or in connection with this Deed or otherwise) and any moneys held by the Secured Party for the account of the Company at any office of Secured Party anywhere and in any currency, whether or not matured. If any such obligation is unliquidated or unascertained, the Secured Party may set off in an amount estimated by it in good faith to be amount of that obligation. The Secured Party may effect such currency exchanges as are appropriate to implement the set-off and any usual charges and all applicable Taxes in relation to such currency exchanges shall be subject to the indemnity in Clause 23.2 (Enforcement costs)

16 EXTENSION AND VARIATION OF POWERS CONFERRED BY LAW

16.1 Extension of Powers

The powers conferred by section 101 of the LPA as varied and extended by this Deed shall be deemed to arise (and the Secured Obligations shall be deemed due and payable for that

purpose) immediately on execution of this Deed. Section 109(1) of the LPA 1925 shall not apply to this Deed.

16.2 Restrictions

The restrictions contained in sections 93 and 103 of the LPA 1925 shall not apply to this Deed or to the exercise by the Secured Party or any Receiver or Delegate of its right to consolidate all or any of the Security with any other security in existence at any time or to its power of sale.

16.3 Power of Leasing

- (a) The statutory powers of leasing conferred by sections 99 and 100 of the LPA 1925 may be exercised by the Secured Party or any Receiver or Delegate at any time on or after the Security becomes enforceable. The Secured Party and any Receiver or Delegate may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by sections 99 and 100 of the LPA 1925.
- (b) For the purposes of sections 99 and 100 of the LPA 1925, the expression "mortgagor" shall include any encumbrancer deriving title under the original mortgagor and section 99(18) of the LPA 1925 and section 100(12) of the LPA 1925 shall not apply.

17 APPOINTMENT OF RECEIVERS

17.1 Appointment

At any time

- (a) on or after any of the Security becoming enforceable (whether or not the Secured Party shall have taken possession of the Security Assets), or
- (b) at the written request of the Company,

the Secured Party may, without notice to the Company, appoint, one or more qualified persons to be Receiver or Receivers. If the Secured Party appoints more than one person as Receiver, the Secured Party may give the relevant persons power to exercise all or any of the powers conferred on Receivers individually as well as jointly and to the exclusion of the other or others of them.

17.2 Scope of appointment

Any Receiver may be appointed either Receiver of all the Security Assets or of such part of the Security Assets as may be specified in the appointment. In the latter case, the rights conferred by Clause 17.4 (Powers of Receivers) shall take effect as though every reference in that Clause to "rights" were a reference to rights in respect of the specified part of the Security Assets.

17 3 Removal

The Secured Party may, by deed or by instrument in writing signed by any officer or other person authorised for such purpose by it (so far as it is lawfully able and subject to any requirement of the court in the case of an administrative receiver), remove any Receiver appointed by it and may, whenever it deems expedient, appoint any one or more other qualified persons in place of or to act jointly with any other Receiver

17 4 Powers of Receivers

Any Receiver appointed under this Deed will (subject to any contrary provision specified in his appointment but notwithstanding the Dissolution of the Company) have

- (a) all the rights conferred by the LPA 1925 on mortgagors and on mortgagees in possession and on any receiver appointed under the LPA 1925,
- (b) all the rights of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 as in force at the date of this Deed (whether or not in force at the date of exercise) and all rights of an administrative receiver as may be added to Schedule 1 of the Insolvency Act 1986 after the date of this Deed, in either case, whether or not the Receiver is an administrative receiver,
- (c) the right to manage, use and apply all or any of the Security Assets and to exercise (or permit the Company or its nominee to exercise) all other rights of an absolute beneficial owner of the Security Assets,
- (d) the right to sell or otherwise dispose of or otherwise realise all or any part of the Security Assets in any manner whatsoever (including any fixtures which may be severed and sold separately from the Real Property to which they are affixed) and for such consideration and on such terms as it may think fit,
- (e) the right to redeem or transfer to the Secured Party any prior security interest over the Security Assets,
- (f) all the rights expressed to be conferred upon the Secured Party in this Deed and the Loan Sale Agreement, and
- (g) the right to do all lawful things which in the opinion of the Receiver seem to be incidental or conducive to any of the functions, powers, authorities or discretions conferred on or vested in him, the exercise of the Security Rights or bringing into his hands any assets forming part of, or which when got in would form part of, the Security Assets

17 5 Agent

Any Receiver shall for all purposes be the agent of the Company and therefore deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA 1925. The Company shall be solely responsible for his contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by him and for the payment of his remuneration. No Receiver shall at any time act as, or be deemed to be, agent of Secured Party

17 6 Remuneration

Subject to section 36 of the Insolvency Act 1986, the Secured Party may from time to time fix the remuneration of any Receiver appointed by it (without being limited to the maximum rate specified in section 109(6) of the LPA 1925) and may direct payment of such remuneration out of moneys accruing to him as Receiver, but the Company alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver

18 DISCRETION AND DELEGATION

18 1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Secured Party or any Receiver may, subject to the terms and conditions of the Loan Sale Agreement, be exercised or made from time to time in its absolute and unfettered discretion without any obligation to give reasons

18 2 Delegation

- (a) Each of the Secured Party and any Receiver may at any time delegate all or any of the rights conferred on it by this Deed
- (b) The delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions as the Secured Party may think fit
- (c) Such delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Secured Party or the Receiver itself or any subsequent delegation or revocation
- (d) Under no circumstances shall the Secured Party nor any Receiver or Delegate nor any officer, agent or employee of any of them be liable to the Company or any other person as a result of or in connection with any act, default, omission or misconduct on the part of any Delegate

19 APPLICATION OF MONEYS

All moneys arising from the exercise of the powers of enforcement under this Deed shall (except as may be otherwise required by applicable law) be held by the Secured Party and any Receiver and (subject to Clause 20 (*Suspense Account*)) applied in the following order of priority (but without prejudice to the right of the Secured Party to recover any shortfall from the Company)

- (a) in or towards payment of all Costs and Expenses of and incidental to the appointment of any Receiver and the exercise of any of his rights including his remuneration and all outgoings paid by him,
- (b) in or towards the payment or discharge of such of the Secured Obligations in such order as the Secured Party in its absolute discretion may from time to time determine, and

- (c) after all of the Security Assets have been released from the Security in accordance with Clause 14 (Release of Security), in payment of any surplus to the Company or other person entitled to it,

and section 109(8) of the LPA 1925 shall be deemed varied and extended in such respect

20 SUSPENSE ACCOUNT

The Secured Party may place and retain on a suspense account, for as long as it considers fit, any moneys received, recovered or realised under or in connection with this Deed to the extent of the Secured Obligations, without any obligation on the part of the Secured Party to apply such moneys in or towards the discharge of such Secured Obligations

21 PROTECTION OF THIRD PARTIES

21 1 Consideration

The receipt of the Secured Party or any Receiver or Delegate shall be conclusive discharge to a purchaser and any sale or disposal of any of the Security Assets or any acquisition by the Secured Party or any Receiver or Delegate shall be for such consideration, and made in such manner and on such terms as it thinks fit

21 2 Protection of Purchasers

- (a) No purchaser or other person dealing with the Secured Party, any Receiver or any Delegate shall be bound to inquire whether the right of the Secured Party or such Receiver or Delegate to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Secured Party or such Receiver or Delegate in such dealings
- (b) All the protections given to purchasers from a mortgagee by sections 104 and 107 of the LPA 1925, and to persons dealing with a receiver in section 42(3) of the Insolvency Act 1986, shall apply equally to any person purchasing from or dealing with the Secured Party any Receiver or any Delegate

22 NO LIABILITY

Neither the Secured Party nor any Receiver or Delegate nor any officer, agent or employee of any of them will in any circumstances (whether by reason of taking possession of the Security Assets or for any other reason whatsoever)

- (a) be liable to account to the Company or any other person for anything, or
- (b) be liable to the Company or any other person as a result of or in connection with
 - (i) taking any action permitted by this Deed,
 - (ii) any neglect, default or omission in relation to the Security Assets, or

- (iii) taking possession of or realising all or any part of the Security Assets,

except in each case, to the extent directly caused by fraud or wilful default or gross negligence on its part

23 COSTS AND EXPENSES

23 1 Transaction and administration expenses

The Company shall indemnify the Secured Party on demand against all Costs and Expenses reasonably expended, paid, incurred or debited on account by the Secured Party in connection with

- (a) any waiver, consent or authorisation sought by the Company in relation to this Deed and/or any other document referred to in this Deed,
- (b) any variation, amendment, extension or modification of, or supplement to, this Deed and/or any other document referred to in this Deed, and
- (c) the taking, holding, administration or release of any Security or the exercise of any Security Rights

Each party shall pay its own costs and expenses in relation to the negotiations, preparation, execution and carrying into effect of this Deed

23 2 Enforcement costs

The Company shall indemnify the Secured Party and every Receiver, Delegate or other person appointed by the Secured Party under this Deed (each an "Indemnified Party") on demand against all Costs and Expenses expended, paid, incurred or debited on account by any Indemnified Party in connection with

- (a) enforcing, protecting, preserving or realising, or (upon reasonable grounds) attempting to enforce, protect, preserve or realise, the rights vested in any Indemnified Party by this Deed and any other document referred to in this Deed or by law, and
- (b) any material default by the Company in the performance of any of the obligations expressed to be assumed by it under the Loan Sale Agreement and/or this Deed

24 STAMP TAXES

The Company shall pay promptly, and in any event before any penalty becomes payable, all stamp, registration, documentary and similar Taxes, if any, payable in connection with the entry into, performance, enforcement or admissibility in evidence of this Deed and any other document referred to in this Deed, and shall indemnify the Secured Party on demand against any Costs and Expenses with respect to, or resulting from any delay in paying or omission to pay, any such Tax

25 PAYMENTS FREE OF DEDUCTION

All payments to be made to the Secured Party under this Deed shall be made free and clear of and without deduction for or on account of Tax unless the Company is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Company shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the person on account of whose liability to Tax such deduction or withholding has been made, receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made

26 CERTIFICATES AND DETERMINATIONS

For all purposes, including any legal proceedings, a determination by the Secured Party or a copy of a certificate signed by an officer of the Secured Party, of the amount of any indebtedness comprised in the Secured Obligations or the amount standing to the credit of any Account for the time being or at any time shall, in the absence of manifest error, be conclusive evidence against the Company as to such amount

27 ASSIGNMENT

27 1 Sellers, Servicer and Guarantors

Neither the Sellers nor the Servicer nor the Guarantors may assign, transfer, declare a trust over or otherwise dispose of all or any of their rights and benefits under any Transaction Document without the prior written consent of the Purchaser

27 2 Purchaser – Affiliates, Security and Quasi-Security

Subject to the condition in Clause 27 4 (*Continued role of the Servicer*), the Purchaser may at any time, upon giving written notice to the Sellers, the Servicer and the Guarantors, assign, transfer, declare a trust over or otherwise dispose of all or any of its rights and benefits under any Transaction Document or any document referred to therein to

- (a) any Affiliate of the Purchaser, or
- (b) any other person by way of Security or Quasi-Security for the obligations of the Purchaser or any Affiliate of the Purchaser under or in connection with the financing arrangements of the Purchaser or any Affiliate of the Purchaser

27 3 Purchaser – General

Save as provided in Clause 27 2 (*Purchaser – Affiliates, Security and Quasi-Security*) and subject to the condition in Clause 27 4 (*Continued role of Servicer*), the Purchaser shall not assign, transfer, declare a trust over or otherwise dispose of all or any of its rights and benefits under any Transaction Document to any person without the prior written consent of the Sellers, the Servicer and the Guarantors, such consent not to be unreasonably withheld or delayed

27.4 Continued role of the Servicer

It shall be a condition of any assignment by the Purchaser under Clause 27.2 (Purchaser – Affiliates, Security and Quasi-Security) or Clause 27.3 (Purchaser – General) that the assignee agrees (by novation, written acknowledgement or such other means as may be necessary) to the continued appointment of the Company as the exclusive provider of the Services upon and subject to the terms of the Loan Sale Agreement (which terms include each of the provisions of clause 13 and schedule 7 of the Loan Sale Agreement)

27.5 Further assurance

The Sellers, the Servicer and the Guarantors shall execute all documents, do all acts and things, give all reasonable further assurances, and will afford such reasonable assistance as the Purchaser may require from time to time and as may be reasonably necessary or expedient effectively for the Purchaser to assign, transfer, declare a trust over or otherwise dispose of all or any of its rights and benefits under this Deed or any other document referred to in it to any other person

27.6 Disclosure

Notwithstanding the provisions of clause 29 and clause 30 of the Loan Sale Agreement, the Purchaser may disclose information in its possession relating to the provisions of this Deed and any other document referred to in it, the negotiations relating to this Deed, the subject matter of this Deed and the Sellers, the Servicer and the Guarantors

- (a) to a proposed transferee of a sort described in Clause 27.2 (Purchaser – Affiliates, Security and Quasi-Security), at any time, or
- (b) to a proposed transferee of a sort described in Clause 27.3 (Purchaser – General), with the prior written consent of the Sellers, the Servicer and the Guarantors,

in each case provided the disclosure of such information is necessary for the purposes of the proposed assignment, transfer, declaration of trust over, or other disposal of all or any of the Purchaser's rights and benefits under any Transaction Document or any document referred to therein pursuant to this Clause

28 AMENDMENTS

This Deed may not be amended, modified or waived in any respect without the prior written consent of the Secured Party given with express reference to this Clause

29 NOTICES

29.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be in writing. E-mail is permitted

29.2 Addresses

The addresses (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that specified against the name of that person in clause 28 of the Loan Sale Agreement or otherwise identified with its signature below or any substitute address or department or officer as the party may notify to the other parties, such notification of substitution only being effective on the date falling five clear Business Days after the notification has been received or such later date as may be specified in the notice

29.3 Delivery

- (a) Any notice given under this Deed shall, in the absence of earlier receipt, be deemed to have been duly given as follows
 - (i) if delivered personally, on delivery,
 - (ii) if sent by first class inland post, two clear Business Days after the date of posting,
 - (iii) if sent by airmail, six clear Business Days after the date of posting, and
 - (iv) if sent by e-mail, when sent
- (b) Any notice given under this Deed outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place

30 REMEDIES AND WAIVERS

No failure to exercise, nor any delay or omission in exercising, on the part of the Secured Party, any right provided by law or under this Deed shall impair, affect or operate as a waiver of that or any other right or constitute an election to affirm this Deed. No election to affirm this Deed on the part of the Secured Party shall be effective unless it is in writing. No single or partial exercise of any right shall prevent any further or other exercise or the exercise of any other right. The rights provided in this Deed are cumulative and not exclusive of any rights provided by law.

31 PARTIAL INVALIDITY

- (a) 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
 - (i) the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction or any other jurisdiction, nor
 - (ii) the legality, validity or enforceability of such provision under the law of any other jurisdiction,

will in any way be affected or impaired

- (b) The parties shall enter into good faith negotiations, but without any liability whatsoever in the event of no agreement being reached, to replace any illegal, invalid or unenforceable provision with a view to obtaining the same commercial effect as this Deed would have had if such provision had been legal, valid and enforceable

32 TRUSTS

If any trust intended to arise pursuant to any provision of this Deed fails or for any reason (including the laws of any jurisdiction in which any assets, moneys, payments or distributions may be situated) cannot be given effect to, the Company will pay to the Secured Party for application in accordance with Clause 19 (Application of Moneys) an amount equal to the amount (or the value of the relevant assets) intended to be so held on trust for the Secured Party

33 EXECUTION AS A DEED

Each of the parties intends this Deed to be a deed and confirms that it is executed and delivered as a deed, notwithstanding the fact that any one or more of the parties may only execute it under hand

34 COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the parties to this Deed on separate counterparts, but will not be effective until each such party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all the counterparts will together constitute one and the same instrument

35 JURISDICTION

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

36 GOVERNING LAW

This Deed is governed by and is to be construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Deed, whether contractual or non-contractual, is to be governed by and determined in accordance with English law

IN WITNESS of which this document has been executed as a deed and delivered on the date stated at the beginning of this Deed

Schedule 1
Accounts

Account Bank	Account Bank address	Account name	Account no	Sort code	Currency
Royal Bank of Scotland	Glasgow City Branch	Main Trading Account	[REDACTED]	83-07-06	GBP
Royal Bank of Scotland	Glasgow City Branch	Caledonian Collections Account	[REDACTED]	83-07-06	GBP
Royal Bank of Scotland	Glasgow City Branch	New Career Skills Collection Account	[REDACTED]	83-07-06	GBP
Royal Bank of Scotland	Glasgow City Branch	OLCI Collection Account	[REDACTED]	83-07-06	GBP
Barclays	Pall Mall 2	OLCI Collection Account	[REDACTED]	20-65-82	GBP

Schedule 2
Relevant Contracts

Date	Description and significant obligations	Counterparties
11 April 2013	Agreement relating to the provision of credit facilities, pursuant to which the Company agrees to provide credit facilities to the customers of Marlborough Information Services Limited for the purchase of goods and services sold and provided by Marlborough Information Services Limited	Marlborough Information Services Limited
15 June 2012	Agreement relating to the provision of credit facilities, pursuant to which the Company agrees to provide credit facilities to the customers of Metropolitan International Schools Limited for the purchase of goods and services sold and provided by Metropolitan International Schools Limited	Metropolitan International Schools Limited

Schedule 4
Shares

<i>Issuer</i>	<i>Number of Shares</i>	<i>Class</i>
Honeycomb Investment Trust plc	700,000 (seven hundred thousand)	Ordinary

[LETTERHEAD OF CALEDONIAN CONSUMER FINANCE LTD]

[Date]

NOTICE OF CHARGE

We give you notice that, we have charged by way of first fixed charge to Honeycomb Investment Trust plc (the **"Secured Party"**) all our rights under or in respect of the Account including all credit balances on the Account from time to time

- (a) to disclose to the Secured Party any information relating to the Account required by it from time to time,
- (b) to comply with the terms of any written instructions (including any requests for payment from the Account) received by you from the Secured Party from time to time (although pending receipt of any such instructions, you should continue to deal with us in relation to all matters relating to the Account), and
- (c) to hold all amounts standing to the credit of the Account to the order of the Secured Party

You may comply with the instructions in this notice without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction. In the event of any conflict between communications received from us and from the Secured Party, you shall treat the communication from the Secured Party as prevailing over the communication from us.

This notice is governed by English law

Please acknowledge receipt of this notice and confirm your agreement to it, by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Secured Party at Ventas House, 125 Finsbury Pavement, London EC2A 1NQ with a copy to us

Yours faithfully,

For and on behalf of
Caledonian Consumer Finance Ltd

c c Honeycomb Investment Trust plc

Form of Acknowledgement of Notice of Charge – Accounts

[LETTERHEAD OF ACCOUNT BANK]

To Honeycomb Investment Trust plc
 (the "Secured Party")

[Date]

Dear Sirs,

ACKNOWLEDGEMENT OF NOTICE OF CHARGE

We acknowledge receipt of a notice dated [•] (the "Notice") (a copy of which is attached to this letter) Words and expressions defined in the Notice shall have the same meanings in this letter

At the request of the Secured Party and Caledonian Consumer Finance Ltd, we confirm that

- (a) we accept the instructions and authorisations in the Notice and undertake to act in accordance with their terms,
- (b) we will comply with the terms of any written instructions (including any requests for payment from the Account) received by us from the Secured Party from time to time,
- (c) we have not received notice of any previous assignment, charge, trust, claim or other third party interest or action affecting the Account and if, we receive any such notice, we shall immediately notify the Secured Party,
- (d) we have not claimed or exercised any rights of counter-claim, set-off or combination of accounts or other equities in respect of the Account, so far as we are aware, no such rights or equities have arisen in our favour and we shall not assert or seek to exercise any such rights or equities in the future without the prior written consent of the Secured Party,
- (e) we will not amend or vary any rights attaching to the Account without the prior consent of the Secured Party

This letter is governed by English law

Yours faithfully,

Signed for and on behalf of
[Name of Account Bank]

by _____
(Print Name)

c c Caledonian Consumer Finance Ltd

Form of Notice of Charge/Assignment – Relevant Contracts

[LETTERHEAD OF CALEDONIAN CONSUMER FINANCE LTD]

To [Counterparty]
 [Address]

[Date]

Dear Sirs,

NOTICE OF [ASSIGNMENT] [CHARGE]

We give you notice that we have [assigned absolutely by way of security to] [charged in favour of] Honeycomb Investment Trust plc (the "**Secured Party**") all our rights under or in respect of the [describe Relevant Contract] (the "**Contract**")

We also give you notice that we have agreed with the Secured Party that we will not (without the prior written consent of the Secured Party)

- (a) amend, supplement, vary or waive any provision of the Contract,
- (b) exercise any right to rescind, cancel or terminate the Contract,
- (c) release any counterparty from its obligations under the Contract,
- (d) waive any breach by any counterparty or consent to any act or omission which would otherwise constitute a breach under the Contract, or
- (e) novate, transfer or assign any of our rights under the Contract

We hereby instruct and authorise you as follows (notwithstanding any prior instructions to the contrary)

- (a) to disclose to the Secured Party any information relating to the Contract required by it from time to time,
- (b) to pay or release all amounts payable to us under or in connection with the Contract to the following bank account

Account Bank [name and address of Account Bank]

Account Name []

Account Number [],

- (c) pending payment or release of any amounts payable to us under or in connection with the Contract as specified above, to hold all such amounts to the order of the Secured Party, and

- (d) to comply with any written instruction received by you from the Secured Party in relation to the Contract from time to time (although save as expressly specified above, pending receipt of any such instructions you should continue to deal with us in relation to all matters relating to the Contract)

The instructions in this notice shall remain in full force and effect until the Secured Party gives you notice in writing revoking them

You may comply with the instructions in this notice without any further permission from us and without any enquiry by you as to the justification for or validity of any instruction. In the event of any conflict between communications received from us and from the Secured Party, you shall treat the communication from the Secured Party as prevailing over the communication from us

Please acknowledge receipt of this notice and confirm your agreement to it, by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Secured Party at Veritas House, 125 Finsbury Pavement, London EC2A 1NQ with a copy to us

This notice is governed by English law

Yours faithfully,

For and on behalf of
Caledonian Consumer Finance Ltd

c c Honeycomb Investment Trust plc

Form of Acknowledgement of Notice of Assignment/Charge – Relevant Contracts

[LETTERHEAD OF CONTRACT COUNTERPARTY]

To Honeycomb Investment Trust plc
(the "Secured Party")

[Date]

Dear Sirs,

ACKNOWLEDGEMENT OF NOTICE OF [ASSIGNMENT] [CHARGE]

We acknowledge receipt of a notice dated [*] (the "Notice") (a copy of which is attached to this letter) Words and expressions defined in the Notice shall have the same meanings in this letter

At the request of the Secured Party and the Company, we confirm that

- (a) we accept the instructions and authorisations in the Notice and undertake to act in accordance with its terms, and
- (b) we have not received notice of any previous assignment, charge, trust, claim or other third party interest or action affecting the Contract and if, we receive any such notice, we shall immediately notify the Secured Party

This letter is governed by English law

Yours faithfully,

Signed for and on behalf of
[Counterparty]

by _____
(Print Name)

c c Caledonian Consumer Finance Ltd

SIGNATURES**The Company**

EXECUTED as a DEED)
by CALEDONIAN CONSUMER)
FINANCE LTD)
acting by a director in the presence of)

Director

Witness's signature

Name (print)

Occupation

Address

STEPHEN DOWDELLS

The Secured Party

EXECUTED as a DEED by)
)
)
a duly authorised signatory for and on)
behalf of POLLEN STREET CAPITAL)
LIMITED, acting on behalf of)
HONEYCOMB INVESTMENT TRUST)
PLC, in the presence of)

Authorised Signatory

Witness's signature

Name (print)

Occupation

Address

SIGNATURES

The Company

EXECUTED as a DEED)
 by CALEDONIAN CONSUMER)
 FINANCE LTD)
 acting by a director in the presence of)
 Director

Witness's signature

Name (print)

Occupation

Address

The Secured Party

EXECUTED as a DEED by)
)
 JONATHAN MOYES)
 a duly authorised signatory for and on)
 behalf of POLLEN STREET CAPITAL)
 LIMITED, acting on behalf of)
 HONEYCOMB INVESTMENT TRUST)
 PLC, in the presence of)
 Authorised Signatory

Witness's signature

Name (print) H GARLAND

Occupation

Address