



Registration of a Charge

Company name: **CAVENDISH UPHOLSTERY LIMITED**

Company number: **01912412**



XA29OOHV

Received for Electronic Filing: **12/04/2021**

Details of Charge

Date of creation: **31/03/2021**

Charge code: **0191 2412 0007**

Persons entitled: **BESTRUSTEES LIMITED
JOHN DAVID FRANCIS
MICHAEL GEORGE JOHN MCGEE
SUZANNE MARY EMILY FIELDER**

There are more than four persons entitled to the charge.

Brief description: **BY WAY OF FIRST LEGAL MORTGAGE, THE LEASEHOLD LAND SHOWN
EDGED RED ON THE PLAN OF TITLE LA654517 FILED AT THE LAND
REGISTRY AND BEING MAYFIELD MILL, BRIERCLIFFE ROAD, CHORLEY,
PR6 0DA REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER
LA654517. FOR FURTHER INFORMATION PLEASE SEE THE CHARGING
INSTRUMENT.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **DANIELLE FUTCHER, TLT LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1912412

Charge code: 0191 2412 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st March 2021 and created by CAVENDISH UPHOLSTERY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th April 2021 .

Given at Companies House, Cardiff on 13th April 2021

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

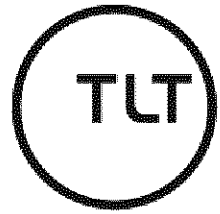


Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

TLT LLP



Third-Party Legal Mortgage

- (1) Cavendish Upholstery Limited
(as the Mortgagor)
- (2) BESTrustees Limited, John David Francis, Michael George John McGee, Suzanne Mary Emily Fielder and Antony Stuart-Brown each in their capacity as trustees of the Airsprung Retirement and Death Benefits Plan
(as the Trustees)

Dated 31 March 2021

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This deed is made the 31st day of March 2021

Between:

- (1) **CAVENDISH UPHOLSTERY LIMITED** incorporated and registered in England and Wales with company number 01912412 whose registered office is at Canal Road, Trowbridge, Wiltshire, BA14 8RQ (the **Mortgagor**).
- (2) **BESTrustees Limited** (company number 02671775) whose registered office is at Five Kings House, 1 Queen Street Place, London, EC4R 1QS, **John David Francis** of [REDACTED] **Michael George John McGee** of [REDACTED] **Suzanne Mary Emily Fielder** of [REDACTED] and **Antony Stuart-Brown** of [REDACTED] each in their capacity as trustees of the **AIRSPRUNG RETIREMENT AND DEATH BENEFITS PLAN** (the **Trust**), together with each and every other trustee or trustees who is or are for the time being a trustee of the Trust (each a **Trustee** and together the **Trustees**).

Background:

- (A) The Mortgagor owns the Property.
- (B) This deed provides security, which the Mortgagor has agreed to provide to the Trustees for the Secured Liabilities.

It is agreed as follows:

- 1 Definitions and interpretation

1.1 Definitions

The following definitions apply in this deed:

Airsprung	means Airsprung Group plc, registered England and Wales with company number 01277785.
Airsprung Group	means Airsprung and its Subsidiaries from time to time.
Beneficial Owner	means the beneficial owner (or owners) of the Property from time to time.
Beneficial Owner Charge	means a Security in respect of the beneficial ownership of the Property granted in favour of the Trustees by a Beneficial Owner.
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
Certificate of Title	any report on, certificate of or such other information in respect of title relating to the Property supplied to

	the Trustees by the Mortgagor (or on either party's behalf), or by any of their legal advisers.
Charged Assets	all the assets, property and undertaking of the Mortgagor which are, or are intended to be, subject to the Security created by, or pursuant to, this deed (and references to the Charged Assets shall include references to any part of them).
Default Rate	3% above the higher of: <ul style="list-style-type: none"> (a) the base rate of the Bank of England from time to time; and (b) 2%.
Delegate	any person appointed by the Trustees or any Receiver under clause 14 and any person appointed as attorney of the Trustees, Receiver or Delegate.
Dormant Subsidiary	means a member of the Airsprung Group which does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) which in aggregate have a value of £1,000 or more or its equivalent in other currencies.
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
Environmental Licence	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Assets.
Financial Collateral	has the meaning given to that expression in the UK Financial Collateral Regulations.
Gainsborough Mortgage	means the third party legal mortgage dated on or around the date of this deed and granted by Gainsborough Limited in favour of the Trustees.
Insolvency Event	means: <ul style="list-style-type: none"> (a) an Obligor or any of the Airsprung Group:

- (i) suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business carried on as at the date of this deed;
 - (ii) stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
 - (iii) commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Trustees) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties); or
- (b) in respect of an Obligor or any of the Airsprung Group:
 - (i) a moratorium is declared in respect of any indebtedness;
 - (ii) any action, proceedings, procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, winding-up or dissolution (save for where the company concerned is a Dormant Subsidiary as at the date of this deed and such winding-up or dissolution is voluntary), administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise);
 - (iii) any action, proceedings, procedure or step is taken in relation to a composition, compromise, assignment or arrangement with any creditor;
 - (iv) any action, proceedings, procedure or step is taken in relation to the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer (or in respect of any of its assets);
 - (v) any event occurs similar to those set out in paragraphs (a) to (b)(iv)

(inclusive) of this definition under the laws of any applicable jurisdiction;

- (vi) control of goods is taken or a distress, attachment, execution, expropriation sequestration or other analogous legal process in any jurisdiction is levied, enforced or sued out on, or against, such an assets;
- (vii) there is a striking-off from the Register of Companies (save for where the company concerned is a Dormant Subsidiary as at the date of this deed);
- (viii) any Security on or over their assets becomes enforceable;
- (ix) the value of their assets is less than its liabilities (taking into account contingent and prospective liabilities); or
- (x) an occurrence of an insolvency event as that term is defined in section 121 of the Pensions Act 2004 or regulations made thereunder; or
- (xi) the receipt by the Pension Protection Fund of an application or notification from the Trustees or the Pensions Regulator that such company is unlikely to continue as a going concern, which is purported to be made in accordance with Section 129 of the Pensions Act 2004 or regulations made from time to time thereunder.

A winding-up-petition that is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, on the date on which it is advertised shall be excluded from this definition of "Insolvency Event".

For the avoidance of doubt, the ending of any moratorium or any other event referred to in this definition of "Insolvency Event" shall not remedy the occurrence of an Insolvency Event, and an Insolvency Event shall still have occurred.

Insurance Policy

each contract and policy of insurance effected or maintained by the Mortgagor from time to time relating to the Property.

LPA 1925

the Law of Property Act 1925.

Material Adverse Effect

any event or circumstance which, in the reasonable opinion of the Trustees:

- (a) is likely to materially and adversely affect an Obligor's ability to perform or discharge the Secured Liabilities;
- (b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of an Obligor; or
- (c) is likely to result in this deed, any material document relating to or in connection with the Plan or the Gainsborough Mortgage not being legal, valid and binding on, and enforceable in accordance with its terms against the parties to it and, in the cases of the this deed and the Gainsborough Mortgage, not providing to the Trustees security over the assets expressed to be subject to a security interest under such documents (respectively).

Obligors

together:

- (a) Airsprung (and any other Participating Employer under or in connection with the Plan);
- (b) the Beneficial Owner;
- (c) the Mortgagor; and
- (d) Gainsborough Limited,

each being an **Obligor**.

Participating Employer

any participating employer in the Plan from time to time, past, present or future.

Pension Protection Fund

means the Board of the Pension Protection Fund as established under Part 2 of the Pensions Act 2004.

Pensions Regulator

means the body of that name and referred to as the "Regulator" in the Pensions Act 2004.

Permitted Security

each of:

- (a) the legal charge (in form CH1) relating to the Property dated 19 March 2010 granted by the Mortgagor in favour of certain trustees of the Trust;

- (b) the legal charge (in form CH1) relating to the Property dated 13 November 2015 granted by the Mortgagor in favour of certain trustees of the Trust; and
- (c) the legal charge (in form CH1) relating to the Property dated 4 October 2019 granted by the Mortgagor in favour of certain trustees of the Trust.

Plan	the Airsprung Retirement and Death Benefits Plan.
Property	the freehold or leasehold property (whether registered or unregistered) owned by the Mortgagor described in Schedule 1.
Receiver	a receiver or receiver and manager appointed by the Trustees under clause 12.
Rights	any Security, benefit of any payment or distribution or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.
Secured Liabilities	<p>all present and future obligations and liabilities of any kind of:</p> <ul style="list-style-type: none"> (a) Airsprung and any other Participating Employer under or in connection with the Plan (whether such obligations and liabilities are owed to the Trustees or otherwise); (a) the Mortgagor to the Trustees under or in connection with this deed (including, without limitation, those arising under clause 26.3.2); (b) the Beneficial Owner to the Trustees under or in connection with a Beneficial Owner Charge; and (c) Gainsborough Limited to the Trustees under or in connection with the Gainsborough Mortgage, <p>in each case whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.</p>
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any

obligation of any person, or any other agreement or arrangement having a similar effect.

Security Financial Collateral Arrangement	has the meaning given to that expression in the UK Financial Collateral Regulations.
Security Period	the period starting on the date of this deed and ending on the date falling 6 years after the date of this deed.
Subsidiaries	means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.
UK Financial Collateral Regulations	means the Financial Collateral Arrangements (No.2) Regulations 2003 (S.I.2003/2336) as amended by the Financial Collateral Arrangements (No.2) Regulations 2003 (Amendment) Regulations 2009 (S.I.2009/2462), the Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010, the European Union (Withdrawal) Act 2018 (as amended) and the Financial Markets and Insolvency (Amendment and Transitional Provision) (EU Exit) Regulations 2019 (S.I.2019/341) and Financial Collateral Regulation means any of them.
Valuation	any valuation relating to the Property supplied to the Trustees by the Mortgagor (or on its behalf).
VAT	value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this deed:

- 1.2.1 Clause, Schedule and any paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall:
 - (a) include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees; and

- (b) for the avoidance of doubt and without limitation to the generality of paragraph (a) above, a reference to a **Trustee** shall include any trustee who may be appointed as trustee of the Trust from time to time, and so this deed shall be binding on, and enure to the benefit of, such persons;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes email but not fax;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.17 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

If the Trustees consider that an amount paid by an Obligor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of an Obligor, or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature of security over real property

A reference in this deed to a **charge or mortgage of or over the Property** includes:

- 1.4.1 all buildings that are situated on or form part of the Property at any time;
- 1.4.2 the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Mortgagor in respect of the Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Finance Documents and of any side letters between any parties in relation to the Finance Documents are incorporated into this deed.

1.6 Perpetuity period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2 Covenant to pay

2.1 Covenant to pay

The Mortgagor shall, on demand, pay to the Trustees and discharge the Secured Liabilities when they become due.

2.2 Limited recourse

Notwithstanding any other provision of the Finance Documents, it is expressly agreed that:

- 2.2.1 the sole recourse of the Trustees to the Mortgagor under this deed is to the Mortgagor's interest in the Charged Assets; and
- 2.2.2 the liability of the Mortgagor to the Trustees pursuant to or otherwise in connection with this deed shall be:
 - (a) limited in aggregate to an amount equal to that recovered as a result of enforcement of this deed with respect to the Charged Assets; and

- (b) satisfied only from the proceeds of sale or other disposal or realisation of the Charged Assets pursuant to this deed.

3 Grant of security

3.1 Legal mortgage and fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee charges to the Trustees:

3.1.1 by way of a first legal mortgage, the Property; and

3.1.2 by way of a first fixed charge:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.2;
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Assets and other documents to which the Mortgagor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Assets or otherwise relating to the Charged Assets (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
- (c) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Mortgagor's business carried on at the Property or the use of any Charged Asset, and all rights in connection with them.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee assigns to the Trustees absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, provided that nothing in this clause 3.2 shall constitute the Trustees as mortgagee in possession.

4 Perfection of security

4.1 Registration of legal mortgage at the Land Registry

The Mortgagor consents to an application being made by the Trustees to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

"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 BESTrustees Limited, John

David Francis, Michael George John McGee, Suzanne Mary Emily Fielder and Antony Stuart-Brown each in their capacity as trustees of the Airsprung Retirement and Death Benefits Plan referred to in the charges register or their conveyancer."

4.2 First registration

If the title to the Property is not registered at the Land Registry, the Mortgagor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property, without the prior written consent of the Trustees.

4.3 Cautions against first registration and notices

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Mortgagor's title to the Property, the Mortgagor shall immediately provide the Trustees with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Mortgagor shall immediately, and at its own expense, take such steps as the Trustees may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5 Liability of the Mortgagor and Trustees' protections

5.1 Liability not discharged

The Mortgagor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 5.1.1 any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;
- 5.1.2 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy that the Trustees may now or after the date of this deed have from or against an Obligor, the Mortgagor or any other person in connection with the Secured Liabilities;
- 5.1.3 any act or omission by the Trustees or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against an Obligor or any other person;
- 5.1.4 any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Liabilities including, without limitation, any change in the purpose of, any increase in or extension of the Secured Liabilities and any addition of new Secured Liabilities;
- 5.1.5 any grant of time, indulgence, waiver or concession to an Obligor or any other person;
- 5.1.6 any insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of an Obligor or any other person;
- 5.1.7 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, an Obligor or any other person in connection with the Secured Liabilities;

5.1.8 any claim or enforcement of payment from an Obligor or any other person;
or

5.1.9 any other act or omission that would not have discharged or affected the liability of the Mortgagor had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Mortgagor or otherwise reduce or extinguish its liability under this deed.

5.2 Immediate recourse

The Mortgagor waives any right it may have to require the Trustees:

5.2.1 to take any action or obtain judgment in any court against an Obligor or any other person;

5.2.2 to make or file any claim in a bankruptcy, liquidation, administration or insolvency of an Obligor or any other person; or

5.2.3 to make demand, enforce or seek to enforce any claim, right or remedy against an Obligor or any other person,

before taking steps to enforce any of its rights or remedies under this deed.

5.3 Non-competition

The Mortgagor warrants to the Trustees that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against an Obligor, its liquidator, an administrator, co-guarantor or any other person in connection with the Secured Liabilities but:

5.3.1 if any of the Rights are taken, exercised or received by the Mortgagor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Mortgagor on trust for the Trustees for application in or towards the discharge of the Secured Liabilities under this deed; and

5.3.2 on demand by the Trustees, the Mortgagor shall promptly transfer, assign or pay to the Trustees all Rights and all monies from time to time held on trust by the Mortgagor under this clause 5.3.

6 Representations and warranties

6.1 Times for making representations and warranties

The Mortgagor makes the representations and warranties set out in this clause 6 to the Trustees on the date of this deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6.2 Due incorporation

Each Obligor:

6.2.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and

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

6.3 Powers

6.3.1 The Mortgagor has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this deed and the transactions contemplated by it.

6.3.2 No limit on its powers will be exceeded as a result of the grant of Security contemplated by this deed.

6.4 Non-contravention

The entry into and performance by the Mortgagor of, and the transactions contemplated by, this deed do not and will not contravene or conflict with:

6.4.1 its constitutional documents;

6.4.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or

6.4.3 any law or regulation or judicial or official order applicable to it.

6.5 Authorisations

The Mortgagor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this deed. Any such authorisations are in full force and effect.

6.6 Binding obligations

6.6.1 The Mortgagor's obligations under this deed are legal, valid, binding and enforceable; and

6.6.2 this deed creates:

(a) valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

(b) subject to registration in accordance with the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets expressed to be subject to Security in it,

in favour of the Trustees, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.

6.7 No filing or stamp taxes

It is not necessary to file, record or enrol this deed (other than as provided in clause 6.6) with any court or other authority or pay any stamp, registration or similar taxes in relation to this deed or any transaction contemplated by it (other than in connection with the registrations referred to in clause 6.6).

6.8 Information

The information, in written or electronic format, supplied by, or on behalf of, the Mortgagor to the Trustees in connection with this deed was, at the time it was supplied or at the date it was stated to be given (as the case may be):

- 6.8.1 if it was factual information, complete, true and accurate in all material respects;
- 6.8.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;
- 6.8.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
- 6.8.4 not misleading in any material respect nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Mortgagor to the Trustees.

6.9 No litigation

No litigation, arbitration, administrative proceedings or investigations are taking place, pending or, to the Mortgagor's knowledge, threatened against any Obligor, any of its directors or any of its assets, which, if adversely determined, will have or might reasonably be expected to have a Material Adverse Effect.

6.10 Ownership of Charged Assets

- 6.10.1 The Mortgagor is:
 - (a) the sole legal and beneficial owner of the Charged Assets (other than the Property)
 - (b) the sole legal owner of the Property; and
 - (c) has good, valid and marketable title to the Property.
- 6.10.2 A member of the Airsprung Group is the sole beneficial owner of the Property.

6.11 No Security

The Charged Assets are free from any Security other than the Permitted Security and the Security created by this deed.

6.12 No adverse claims

The Mortgagor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Assets or any interest in them.

6.13 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Assets.

6.14 No breach of laws

There is no breach of any law or regulation, that materially and adversely affects the Charged Assets.

6.15 No interference in enjoyment

No facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use.

6.16 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in the Property.

6.17 No prohibitions or breaches

There is no prohibition on the Mortgagor assigning its rights in any of the Charged Assets referred to in clause 3.2 and the entry into of this deed by the Mortgagor does not, and will not, constitute a breach of any policy, agreement, document, instrument or obligation binding on the Mortgagor or its assets.

6.18 Environmental compliance

The Mortgagor has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

6.19 Information for Valuations and Certificates of Title

6.19.1 All written information supplied by the Mortgagor or on its behalf for the purpose of any Valuation or any Certificate of Title was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given.

6.19.2 The information referred to in clause 6.19.1 was, at its date or at the date (if any) on which it was stated to be given, complete and the Mortgagor did not omit to supply any information that, if disclosed, would adversely affect any Valuation or any Certificate of Title.

6.19.3 In the case of the first Valuation and Certificate of Title only (if any), nothing has occurred since the date the information referred to in clause 6.19.1 was supplied and the date of this deed that would adversely affect such Valuation or Certificate of Title (if any).

6.20 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Mortgagor or otherwise.

7 General covenants

7.1 Negative pledge and disposal restrictions

The Mortgagor shall not at any time, except with the prior written consent of the Trustees:

- 7.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Charged Asset other than any Security created by this deed or the Permitted Security;
- 7.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Charged Assets; or
- 7.1.3 create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party.

7.2 Preservation of Charged Assets

The Mortgagor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Trustees or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this deed.

7.3 Compliance with laws and regulations

- 7.3.1 The Mortgagor shall not, without the Trustees' prior written consent, use or permit the Charged Assets to be used in any way contrary to law.
- 7.3.2 The Mortgagor shall:
 - (a) comply with the requirements of any law or regulation relating to or affecting the Charged Assets or the use of them or any part of them;
 - (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Assets or their use or that are necessary to preserve, maintain or renew any Charged Asset; and
 - (c) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Charged Assets.

7.4 Enforcement of rights

The Mortgagor shall use its best endeavours to:

- 7.4.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Mortgagor and forming part of the Charged Assets of the covenants and other obligations imposed on such counterparty; and

- 7.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Assets that the Trustees may require from time to time.

7.5 Notice of misrepresentation and breach and other events

The Mortgagor shall, promptly on becoming aware of any of the same, notify the Trustees in writing of:

- 7.5.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated;
- 7.5.2 any breach of any covenant set out in this deed;
- 7.5.3 any breach of any covenant set out in this deed; and
- 7.5.4 any event has occurred in respect of an Obligor or any member of the Airsprung Group which would (or would if they were an employer in relation to the Scheme within the meaning set out in Section 318 of the Pensions Act 2004 and regulations made thereunder) require notification to the Pensions Regulator in accordance with Section 69 of the Pensions Act 2004 and any regulations and directions made thereunder.

7.6 Title documents

The Mortgagor shall, immediately upon the security constituted by this deed becoming enforceable pursuant to clause 10.1, deposit with and deliver to the Trustees and the Trustees shall, thereafter for the duration of this deed, be entitled to hold:

- 7.6.1 all deeds and documents of title relating to the Charged Assets that are in the possession or control of the Mortgagor (and if these are not within the possession or control of the Mortgagor as of the date of this deed, the Mortgagor undertakes to obtain possession of all these deeds and documents of title); and
- 7.6.2 each Insurance Policy.

7.7 Notices to be given by the Mortgagor

The Mortgagor shall immediately on the execution of this deed (and, in respect of any Insurance Policy effected after the date of this deed, immediately upon such Insurance Policy coming into effect) give notice (substantially in the form set out in Part 1 of Schedule 2) to the relevant insurers of the assignment of the Mortgagor's rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 3.2 and use its reasonable endeavours to procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Trustees (substantially in the form of Part 2 of Schedule 2).

7.8 Ranking of obligations

The Mortgagor's payment obligations under this deed will, at all times, rank in all respects in priority to all its other indebtedness, other than indebtedness preferred by operation of law in the event of its winding-up.

7.9 Authorisations

The Mortgagor shall obtain all consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability and admissibility in evidence of this deed in its jurisdiction of incorporation.

7.10 Information

The Mortgagor shall supply to the Trustees:

- 7.10.1 all documents dispatched by the Mortgagors to its shareholders (or any class of them), or its creditors generally, at the same time as they are dispatched;
- 7.10.2 details of any litigation, arbitration or administrative proceedings that are current, threatened or pending against the Mortgagor as soon as it becomes aware of them and which might, if adversely determined, have a Material Adverse Effect; and
- 7.10.3 promptly, any further information about the financial condition, assets, business and operations of the Mortgagor as the Trustees may reasonably request.

8 Property covenants

8.1 Repair and maintenance

The Mortgagor shall keep all premises, and fixtures and fittings on the Property, in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings that have become worn out or otherwise unfit for use with others of a like nature and equal value.

8.2 No alterations

- 8.2.1 The Mortgagor shall not, without the prior written consent of the Trustees:
 - (a) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
 - (b) make or permit to be made any material alterations to the Property or sever or remove, or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8.1).
- 8.2.2 The Mortgagor shall promptly give notice to the Trustees if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

8.3 Development restrictions

The Mortgagor shall not, without the prior written consent of the Trustees:

- 8.3.1 make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

- 8.3.2 carry out, or permit or suffer to be carried out, on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit, or suffer to be changed, the use of the Property.

8.4 Insurance

- 8.4.1 The Mortgagor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Assets against:
- (a) loss or damage by fire or terrorist acts, including any third-party liability arising from such acts;
 - (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Mortgagor; and
 - (c) any other risk, perils and contingencies as the Trustees may reasonably require and direct from time to time.
- 8.4.2 Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Trustees and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Charged Asset (meaning, in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, where the Property is let, loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years, including provision for increases in rent during the period of insurance.
- 8.4.3 The Mortgagor shall, if requested by the Trustees, produce to the Trustees each policy, certificate or cover note relating to any insurance required by clause 8.4.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).
- 8.4.4 The Mortgagor shall, if requested by the Trustees, procure that the Trustees are named as composite insured in respect of their own separate insurable interest under each Insurance Policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 8.4.1 but without the Trustees having any liability for any premium in relation to those Insurance Policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.
- 8.4.5 If requested by the Trustees, the Mortgagor shall ensure that each Insurance Policy effected or maintained by it or any person on its behalf in accordance with clause 8.4.1 contains:

- (a) a loss payee clause under which the Trustees are named as first loss payee (other than in respect of any claim under any public liability and third-party liability insurances);
- (b) terms ensuring that it cannot be avoided or vitiated as against the Trustees by reason of the act or default of any other insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any other insured party;
- (c) a waiver of each insurer's rights of subrogation against the Mortgagor, the Trustees and any tenants of the Property from time to time other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of the Property or any Insurance Policy; and
- (d) terms ensuring that no insurer can repudiate, rescind or cancel it, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Trustees.

8.5 Insurance premiums

The Mortgagor shall:

- 8.5.1 promptly pay all premiums in respect of each Insurance Policy required by clause 8.4.1 and do all other things necessary to keep that policy in full force and effect; and
- 8.5.2 (if the Trustees so require) give to the Trustees copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy required by clause 8.4.1 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Mortgagor is entitled to obtain from the landlord under the terms of the relevant lease).

8.6 No invalidation of insurance

The Mortgagor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy required by clause 8.4.1.

8.7 Proceeds from Insurance Policies

- 8.7.1 Following the security constituted by this deed becoming enforceable pursuant to clause 10.1 (and unless otherwise directed or waived by the Trustees), all monies payable under any Insurance Policy required by clause 8.4.1 shall:
 - (a) be paid immediately to the Trustees;
 - (b) if they are not paid directly to the Trustees by the insurers, be held, pending such payment, by the Mortgagor as trustee of the same for the benefit of the Trustees; and

- (c) at the option of the Trustees, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

8.7.2 At all times prior to the security constituted by this deed becoming enforceable pursuant to clause 10.1 (and unless otherwise directed or waived by the Trustees, which may include in circumstances where alternate or additional Security is provided to the Trustees by the Mortgagor or another member of the Airsprung Group in a form and substance satisfactory to the Trustees), all monies payable under any Insurance Policy required by clause 8.4.1 shall be applied in making good or reinstating the Property and shall be held by the Mortgagor on trust for the Trustees until that point.

8.8 Leases and licences affecting the Property

The Mortgagor shall not, without the prior written consent of the Trustees (which consent, in the case of clause 8.8.4, is not to be unreasonably withheld or delayed in circumstances in which the Mortgagor may not unreasonably withhold or delay its consent):

- 8.8.1 grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- 8.8.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);
- 8.8.3 let any person into occupation, or share occupation, of the whole or any part of the Property; or
- 8.8.4 grant any consent or licence under any lease or licence affecting the Property.

8.9 No restrictive obligations

The Mortgagor shall not, without the prior written consent of the Trustees, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property.

8.10 Proprietary rights

The Mortgagor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Trustees.

8.11 Compliance with and enforcement of covenants

The Mortgagor shall:

- 8.11.1 observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Trustees so require) produce to the Trustees evidence sufficient to satisfy the Trustees that those covenants, stipulations and conditions have been observed and performed; and
- 8.11.2 diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

8.12 Notices or claims relating to the Property

- 8.12.1 The Mortgagor shall:
 - (a) give full particulars to the Trustees of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
 - (b) (if the Trustees so require) immediately, and at the cost of the Mortgagor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Trustees in making, any objections or representations in respect of that Notice that the Trustees thinks fit.
- 8.12.2 The Mortgagor shall give full particulars to the Trustees of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

8.13 Payment of rent and outgoings

The Mortgagor shall:

- 8.13.1 where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 8.13.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on the Property or on its occupier.

8.14 Rent reviews

- 8.14.1 The Mortgagor shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Trustees, agree to any change in rent to less than the open market rental value of the relevant part of the Property.
- 8.14.2 The Mortgagor shall not, without the prior written consent of the Trustees, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

8.15 Environment

The Mortgagor shall in respect of the Property:

8.15.1 comply in all material respects with all the requirements of Environmental Law; and

8.15.2 obtain and comply in all material respects with all Environmental Licences.

8.16 Conduct of business on Property

The Mortgagor shall carry on its trade and business on those parts (if any) of the Property as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business.

8.17 Inspection

The Mortgagor shall permit the Trustees, any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

8.18 VAT option to tax

The Mortgagor shall not, without the prior written consent of the Trustees:

8.18.1 exercise any VAT option to tax in relation to the Property; or

8.18.2 revoke any VAT option to tax exercised, and disclosed to the Trustees in writing, before the date of this deed.

9 Powers of the Trustees

9.1 Power to remedy

9.1.1 The Trustees shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Mortgagor of any of its obligations contained in this deed.

9.1.2 The Mortgagor irrevocably authorises the Trustees and its agents to do all things that are necessary or desirable for that purpose.

9.1.3 Any monies expended by the Trustees in remedying a breach by the Mortgagor of its obligations contained in this deed shall be reimbursed by the Mortgagor to the Trustees on a full indemnity basis and shall carry interest in accordance with clause 16.1.

9.1.4 In remedying any breach in accordance with this clause 9.1, the Trustees, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Trustees may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

9.2 Exercise of rights

The rights of the Trustees under clause 9.1 are without prejudice to any other rights of the Trustees under this deed. The exercise of any rights of the Trustees under this deed shall not make the Trustees liable to account as a mortgagee in possession.

9.3 Trustees have Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Trustees in relation to any of the Charged Assets whether or not it has taken possession of any Charged Asset and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

9.4 Conversion of currency

- 9.4.1 For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Trustees may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 9.4) from their existing currencies of denomination into any other currencies of denomination that the Trustees may think fit.
- 9.4.2 Any such conversion shall be effected at the Bank of England's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 9.4.3 Each reference in this clause 9.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

9.5 New accounts

- 9.5.1 If the Trustees receive, or are deemed to have received, notice of any subsequent Security or other interest, affecting all or part of the Charged Assets, the Trustees may open a new account for the Mortgagor in the Trustees' books. Without prejudice to the Trustees' right to combine accounts, no money paid to the credit of the Mortgagor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- 9.5.2 If the Trustees does not open a new account immediately on receipt of the notice, or deemed notice, referred to in clause 9.5.1, then, unless the Trustees give express written notice to the contrary to the Mortgagor, all payments made by the Mortgagor to the Trustees shall be treated as having been credited to a new account of the Mortgagor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Trustees.

9.6 Indulgence

The Trustees may, at their discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Mortgagor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Mortgagor for the Secured Liabilities.

10 When security becomes enforceable

10.1 Security becomes enforceable

The security constituted by this deed shall become immediately enforceable if:

- 10.1.1 an Obligor fails to pay or discharge:
 - (a) any of the Secured Liabilities when due; or
 - (b) without limitation to the generality of clause 10.1.1(a), any sum which becomes due and payable under the Schedule of Contributions (as defined in section 227 of the Pensions Act 2004) relating to the Plan,

unless the failure to pay is caused solely by an administrative error or technical problem and payment is made within five Business Days of its due date;
- 10.1.2 an Obligor fails (other than a failure to pay as caused by an administrative error or technical problem referred to in clause 10.1.1) to comply with any provision of (as appropriate) this deed, any Beneficial Owner Charge, the Gainsborough Mortgage or any other deed or document under which an Obligor owes obligations to the Trustees (which shall include any document relating to the Plan) and (if the Trustees consider, acting reasonably, that the default is capable of remedy) such default is not remedied within 21 days of the earlier of the Trustees notifying the relevant Obligor of the default and the remedy required and the relevant Obligor becoming aware of the default;
- 10.1.3 an Insolvency Event occurs;
- 10.1.4 there is a winding-up of the Plan pursuant to the provisions of its Trust Deed and Rules from time to time in force;
- 10.1.5 any representation, warranty or statement made, repeated or deemed made by an Obligor to the Trustees is (or proves to have been) incomplete, untrue, incorrect or misleading when made, repeated or deemed made;
- 10.1.6 all or any part of this deed, any Beneficial Owner Charge, the Gainsborough Mortgage or any document under which an Obligor owes obligations to the Trustees is or becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;
- 10.1.7 it becomes unlawful for any party to this deed, any Beneficial Owner Charge, the Gainsborough Mortgage or any document under which an Obligor owes obligations to the Trustees (other than the Trustees) to perform any obligation under this deed, any Beneficial Owner Charge, the Gainsborough Mortgage or that document;
- 10.1.8 an Obligor repudiates or rescinds (or shows an intention to repudiate or rescind) this deed, any Beneficial Owner Charge, the Gainsborough Mortgage or any other document under which an Obligor owes obligations to the Trustees; or
- 10.1.9 any event occurs (or circumstances exist) that, in the reasonable opinion of the Trustees, has or is likely to materially and adversely affect an Obligor's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this deed, any Beneficial Owner Charge, the Gainsborough Mortgage or any document under which an Obligor owes obligations to the Trustees.

10.2 Enforceable until waived

For the avoidance of doubt, after the security constituted by this deed become enforceable, it shall continue to be enforceable until such events or circumstances leading to its enforceability have been expressly waived by the Trustees.

10.3 Discretion

After the security constituted by this deed has become enforceable, the Trustees may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms they think fit, and take possession of and hold or dispose of all or any part of the Charged Assets.

11 Enforcement of security**11.1 Enforcement powers**

- 11.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- 11.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 10.1.
- 11.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

11.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Trustees and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Mortgagor, to:

- 11.2.1 grant a lease or agreement for lease;
- 11.2.2 accept surrenders of leases; or
- 11.2.3 grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Mortgagor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender), as the Trustees or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

11.3 Redemption of prior Security

- 11.3.1 At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Trustees may:
 - (a) redeem any prior Security over any Charged Asset;

- (b) procure the transfer of that Security to itself; and
- (c) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Mortgagor).

11.3.2 The Mortgagor shall pay to the Trustees immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

11.4 Protection of third parties

No purchaser, mortgagee or other person dealing with the Trustees, any Receiver or any Delegate shall be concerned to enquire:

- 11.4.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 11.4.2 whether any power the Trustees, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 11.4.3 how any money paid to the Trustees, any Receiver or any Delegate is to be applied.

11.5 Privileges

Each Receiver and the Trustees are entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

11.6 No liability as mortgagee in possession

Neither the Trustees nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Charged Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Charged Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

11.7 Relinquishing possession

If the Trustees, any Receiver or Delegate enters into or takes possession of a Charged Asset, it or he/she may at any time relinquish possession.

11.8 Conclusive discharge to purchasers

The receipt of the Trustees, or any Receiver or Delegate, shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Assets or in making any acquisition in the exercise of their respective powers, the Trustees, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he/she thinks fit.

11.9 Right of appropriation

- 11.9.1 To the extent that:

- (a) the Charged Assets constitute Financial Collateral; and
- (b) this deed and the obligations of the Mortgagor under it constitute a Security Financial Collateral Arrangement,

the Trustees shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Trustees may, in their absolute discretion, determine.

- 11.9.2 The value of any Charged Assets appropriated in accordance with this clause shall be, in the case of cash, any accrued but unpaid interest, at the time the right of appropriation is exercised.

- 11.9.3 The Mortgagor agrees that the method of valuation provided for in this clause is commercially reasonable for the purposes of the UK Financial Collateral Regulations.

12 Receivers

12.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Mortgagor, the Trustees may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Charged Assets.

12.2 Removal

The Trustees may, without further notice, from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by them and may, whenever they think fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

12.3 Remuneration

The Trustees may fix the remuneration of any Receiver appointed by them without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

12.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Trustees under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

12.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Trustees despite any prior appointment in respect of all or any part of the Charged Assets.

12.6 Agent of the Mortgagor

Any Receiver appointed by the Trustees under this deed shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Mortgagor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Trustees.

13 Powers of Receiver

13.1 Powers additional to statutory powers

- 13.1.1 Any Receiver appointed by the Trustees under this deed shall, in addition to the rights, powers and discretions conferred on him/her by statute, have the rights, powers and discretions set out in clause 13.2 to clause 13.20.
- 13.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether he/she is an administrative receiver or not.
- 13.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- 13.1.4 Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Mortgagor, the directors of the Mortgagor or himself/herself.

13.2 Repair and develop the Property

A Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

13.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms, and subject to any conditions, that he/she thinks fit.

13.4 Employ personnel and advisers

- 13.4.1 A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he/she thinks fit.
- 13.4.2 A Receiver may discharge any such person or any such person appointed by the Mortgagor.

13.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as he/she thinks fit.

13.6 Charge for remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him/her) that the Trustees may prescribe or agree with him/her.

13.7 Take possession

A Receiver may take immediate possession of, get in and realise any Charged Asset.

13.8 Manage or reconstruct the Mortgagor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Mortgagor carried out at the Property.

13.9 Dispose of Charged Assets

A Receiver may grant options and licences over all or any part of the Charged Assets, grant any other interest or right over, sell, exchange, assign or lease (or concur in granting options and licences over all or any part of the Charged Assets, granting any other interest or right over, selling, exchanging, assigning or leasing) all or any of the Charged Assets in respect of which he/she is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he/she thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Assets to be disposed of by him/her.

13.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Mortgagor.

13.11 Give valid receipts

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Assets.

13.12 Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Mortgagor or relating in any way to any Charged Asset.

13.13 Bring legal action

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Assets as he/she thinks fit.

13.14 Insure

A Receiver may, if he/she thinks fit, but without prejudice to the indemnity in clause 16.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Mortgagor under this deed.

13.15 Form subsidiaries

A Receiver may form a subsidiary of the Mortgagor and transfer to that subsidiary any Charged Asset.

13.16 Borrow

A Receiver may, for whatever purpose he/she thinks fit, raise and borrow money either unsecured or on the security of all or any of the Charged Assets in respect of which he/she is appointed on any terms that he/she thinks fit (including, if the Trustees consent, terms under which that security ranks in priority to this deed).

13.17 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Mortgagor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

13.18 Delegation

A Receiver may delegate his/her powers in accordance with this deed.

13.19 Absolute beneficial owner

A Receiver may, in relation to any of the Charged Assets, exercise all powers, authorisations and rights he/she would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do in the ownership and management of all or any part of the Charged Assets.

13.20 Incidental powers

A Receiver may do any other acts and things that he/she:

- 13.20.1 may consider desirable or necessary for realising any of the Charged Assets;
- 13.20.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- 13.20.3 lawfully may or can do as agent for the Mortgagor.

14 Delegation

14.1 Delegation

The Trustees or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it or him/her by this deed (including the power of attorney granted under clause 18.1).

14.2 Terms

The Trustees and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that they or he/she thinks fit.

14.3 Liability

Neither the Trustees nor any Receiver shall be in any way liable or responsible to the Mortgagor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14.4 Trustee actions

Subject always to the requirements of any trust deed in force relating to the Trust (or such other relevant constitutional documents relating to or affecting the Trust) and applicable law, any action taken by the Trustees under this deed (which shall include exercising any right, giving any notice or providing any consent) need not be taken jointly by all Trustees and shall have full force and effect provided it is carried out by any one Trustee (or more) acting in concert with the Chair of Trustees (from time to time).

15 Application of proceeds

15.1 Order of application of proceeds

All monies received or recovered by the Trustees, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Trustees' right to recover any shortfall from any Obligor):

- 15.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Trustees (and any Receiver, Delegate, attorney or agent appointed by them) under or in connection with this deed and of all remuneration due to any Receiver under or in connection with this deed;
- 15.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Trustees determine; and
- 15.1.3 in payment of the surplus (if any) to the Mortgagor or other person entitled to it.

15.2 Appropriation

Neither the Trustees, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15.3 Suspense account

All monies received by the Trustees, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 15.3.1 may, at the discretion of the Trustees, Receiver or Delegate, be credited to a suspense account;
- 15.3.2 shall bear interest, if any, at the rate agreed in writing between the Trustees and the Mortgagor; and
- 15.3.3 may be held in that account for so long as the Trustees, Receiver or Delegate think fit.

16 Costs and indemnity

16.1 Costs

The Mortgagor shall, within five Business Days of demand, pay to, or reimburse, the Trustees and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Trustees, any Receiver or any Delegate in connection with:

- 16.1.1 this deed or the Charged Assets;
- 16.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Trustees', a Receiver's or a Delegate's rights under this deed; or
- 16.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment, liquidation, winding-up or administration of the Mortgagor) at the Default Rate.

16.2 Indemnity

- 16.2.1 The Mortgagor shall indemnify the Trustees, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
 - (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Assets;
 - (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
 - (c) any default or delay by the Mortgagor in performing any of its obligations under this deed.
- 16.2.2 Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

17 Further assurance

17.1 Further assurance

The Mortgagor shall promptly, at its own expense, take whatever action the Trustees or any Receiver may reasonably require for:

- 17.1.1 creating, perfecting or protecting the security intended to be created by this deed;
- 17.1.2 facilitating the realisation of any Charged Asset; or
- 17.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Trustees or any Receiver in respect of any Charged Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Assets (whether to the Trustees or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Trustees may consider necessary or desirable.

18 Power of attorney

18.1 Appointment of attorneys

By way of security, the Mortgagor irrevocably appoints the Trustees, every Receiver and every Delegate separately to be the attorney of the Mortgagor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 18.1.1 the Mortgagor is required to execute and do under this deed; or
- 18.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Trustees, any Receiver or any Delegate.

18.2 Ratification of acts of attorneys

The Mortgagor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18.1.

19 Release

19.1 Release

Subject to clause 26.3, at the end of the Security Period, the Trustees shall, at the request and cost of the Mortgagor, take whatever action is necessary to:

- 19.1.1 release the Charged Assets from the security constituted by this deed; and
- 19.1.2 reassign the Charged Assets to the Mortgagor.

20 Assignment and transfer

20.1 Assignment by Trustees

- 20.1.1 At any time, without the consent of the Mortgagor, the Trustees may assign or transfer any or all of its rights and obligations under this deed.
- 20.1.2 The Trustees may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Mortgagor, the Charged Assets and this deed that the Trustees considers appropriate.
- 20.1.3 The Mortgagor acknowledges that:
- (a) the rights and obligations of the Trustees under this Deed may be transferred in whole or in part to the Pension Protection Fund as a result of the operation of Section 161 of and Schedule 6 to the Pensions Act 2004; and
 - (b) the rights and obligations under this deed shall be binding upon and enure for the benefit of any person who is for the time being a trustee of the Scheme including any person who succeeds or replaces a trustee of the Scheme.

20.2 Assignment by Mortgagor

The Mortgagor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

21 Set-off

21.1 Trustees' right of set-off

The Trustees may at any time set off any liability of the Mortgagor to the Trustees against any liability of the Trustees to the Mortgagor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Trustees may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Trustees of their rights under this clause 21.1 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

21.2 No obligation to set off

The Trustees are not obliged to exercise their rights under clause 21.1. If, however, the Trustees do exercise those rights they must promptly notify the Mortgagor of the set-off that has been made.

21.3 Exclusion of Mortgagor's right of set-off

All payments made by the Mortgagor to the Trustees under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

22 Amendments, waivers and consents

22.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

22.2 Waivers and consents

- 22.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 22.2.2 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Trustees shall be effective unless it is in writing.

22.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

23 Severance

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

24 Counterparts

24.1 Counterparts

- 24.1.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 24.1.2 Transmission of an executed counterpart of this deed by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 24.1.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

25 Third party rights

25.1 Third party rights

25.1.1 Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

25.1.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

26 Further provisions

26.1 Independent security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Trustees may hold for any of the Secured Liabilities at any time. No prior security held by the Trustees over the whole or any part of the Charged Assets shall merge in the security created by this deed.

26.2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Trustees discharges this deed in writing.

26.3 Discharge conditional

Any release, discharge or settlement between the Mortgagor and the Trustees shall be deemed conditional on no payment or security received by the Trustees in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

26.3.1 the Trustees or their nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Assets, for any period that the Trustees deem necessary to provide the Trustees with security against any such avoidance, reduction or order for refund; and

26.3.2 the Trustees may recover the value or amount of such security or payment from the Mortgagor subsequently as if the release, discharge or settlement had not occurred.

26.4 Certificates

A certificate or determination by the Trustees as to any amount for the time being due to it from the Mortgagor under this deed and the Plan shall be, in the absence of any manifest error, conclusive evidence of the amount due.

26.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

27 Notices

27.1 Delivery

Any notice or other communication given to a party under or in connection with this deed shall be:

27.1.1 in writing;

27.1.2 delivered by hand, email or by pre-paid first-class post or other next working day delivery service; and

sent to:

(a) the Mortgagor at:

Address: Airsprung Group, Canal Road Industrial Estate, Trowbridge,
Wiltshire, BA14 8RL

Email: [REDACTED] and [REDACTED]

TLT LLP

Attention: The CEO and the CFO

(b) the Trustees at:

Address: Five Kings House
1 Queen Street Place
London, EC4R 1QS

Email: [REDACTED]

Attention: Chair of Trustees

or to any other address or email address as is notified in writing by one party to the other from time to time.

27.2 Receipt by Mortgagor

Any notice or other communication that the Trustees gives to the Mortgagor shall be deemed to have been received:

27.2.1 if delivered by hand, at the time it is left at the relevant address;

27.2.2 if sent by email, at the time of transmission; and

27.2.3 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

A notice or other communication given as described in clause 27.2.1 or clause 27.2.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

27.3 Receipt by Trustees

Any notice or other communication given to the Trustees shall be deemed to have been received only on actual receipt.

27.4 Service of proceedings

This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

28 Governing law and jurisdiction

28.1 Governing law

This deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

28.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Trustees to take proceedings against the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

28.3 Other service

The Mortgagor irrevocably consents to any process in any legal action or proceedings under clause 28.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This deed has been entered into on the date stated at the beginning of it.

Schedule 1**Property**

Property Description	Freehold / Leasehold	Title Number
The leasehold land shown edged red on the plan of title LA654517 filed at the Land Registry and being Mayfield Mill, Briercliffe Road, Chorley (PR6 0DA)	Leasehold	LA654517

Schedule 2

Form of Notice for Insurance Policies

Part 1: Notice of assignment of Insurance Policy

To: [Insurer]

Copy: [Trustees] (as the Trustees as defined below)

[Date]

Dear Sirs,

**Legal Mortgage dated [] between [Mortgagor]
and [Trustees] (the Legal Mortgage)**

This letter constitutes notice to you that under the Legal Mortgage we have assigned absolutely, subject to a proviso for re-assignment on redemption, to [Trustees] (the **Trustees**) all our rights in respect of [insert details of contract of insurance] (the **Insurance**).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Trustees, their agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Trustees in respect of the Insurance), unless and until you receive notice from the Trustees to the contrary stating that the security under the Legal Mortgage has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Trustees or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Trustees in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Trustees any information relating to the Insurance requested from you by the Trustees.

The instructions in this letter may not be revoked or amended without the prior written consent of the Trustees.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Trustees at [address] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[Mortgagor]

Part 2: Acknowledgement of Insurer

To: [Trustees] (as the Trustees)

Copy: [Mortgagor]

[Date]

Dear Sirs,

**Legal Mortgage dated [] between [Mortgagor]
and [Trustees] (the Legal Mortgage)**

We confirm receipt from [Mortgagor] (the **Mortgagor**) of a notice dated [] (the **Notice**) of an assignment on the terms of the Legal Mortgage of all the Mortgagor's rights in respect of [insert details of the contract of insurance] (the **Insurance**).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....

(Authorised signatory)

[Insurer]

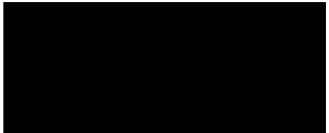
SIGNATURES

MORTGAGOR

Executed as a deed by
Cavendish Upholstery Limited)
acting by Antonio Lisanti)
and Tean Dallaway)
a director,)
a director/its secretary



Director



Director/Secretary

TRUSTEES

Executed as a deed by)
BESTrustees Limited in its capacity as trustee of)
the Airsprung Retirement and Death Benefits Plan)
acting by)
a director,
and a director/its secretary

.....
Director

.....
Director/Secretary

Executed as a deed by)
John David Francis in his capacity as trustee of)
the Airsprung Retirement and Death Benefits Plan)

.....

in the presence of:

Witness signature:

Witness name:

Witness address:

Witness occupation:

.....
.....
.....
.....
.....

Exectued as a deed by)
Michael George John McGee in his capacity as)
trustee of the Airsprung Retirement and Death)
Benefits Plan

in the presence of:

Witness signature:
Witness name:
Witness address:
.....
Witness occupation:

Exectued as a deed by)
Suzanne Mary Emily Fielder in her capacity as)
trustee of the Airsprung Retirement and Death)
Benefits Plan

in the presence of:

Witness signature:
Witness name:
Witness address:
.....
Witness occupation:

Antony **Exectued as a deed** by)
Stuart-Brown **Anthony Stuart-Brown** in his capacity as trustee)
of the Airsprung Retirement and Death Benefits)
Plan

in the presence of:

TLT LLP

Witness signature:
Witness name:
Witness address:
.....
Witness occupation: