

MR01

Particulars of a charge

020663/13

IRIS Laserform

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

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

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

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

For further information, please
visit our guidance at
www.companieshouse.gov.uk

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

☒ You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record.

FRIDAY



1 Company details

Company number 03116518

Company name in full HASTINGS INSURANCE SERVICES LIMITED

5 For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 21/02/2014

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

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

Name U.S. BANK TRUSTEES LIMITED

Name

Name

Name

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

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

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

Not applicable

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☐ Yes

☒ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Latham & Watkins

X

This form must be signed by a person with an interest in the charge

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Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name ROBERT THOMAS

Company name LATHAM & WATKINS

Address 99 BISHOPSGATE

Post town LONDON

County/Region

Postcode E C 2 M 3 X F

Country UK

DX

Telephone 020 7710 1890



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House'



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3116518

Charge code: 0311 6518 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st February 2014 and created by HASTINGS INSURANCE SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th February 2014

A handwritten signature, possibly reading 'R', in black ink.

Given at Companies House, Cardiff on 4th March 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

21 February 2014

Hastings Insurance Services Limited

(as Chargor)

I certify that, save for
material redacted pursuant to
section 859G of the Companies
and Act 2006, the enclosed copy of the
security instrument delivered as part of
the application for registration under
U.S. Bank Trustees Limited section 859A of the
(as Security Agent) Companies Act 2006 is a
correct copy of the original
security instrument

Signature . David Holmes

Date . 28 2 2014

FLOATING CHARGE AGREEMENT

*This Deed is subject to and has the benefit of the Intercreditor Agreement
(as defined herein)*

LATHAM & WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel +44 20 7710 1000
www.lw.com

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THIS DEED is made on 21 February 2014

BETWEEN

- (1) **HASTINGS INSURANCE SERVICES LIMITED** a company incorporated in England and Wales with registered number 03116518 (the "**Chargor**"), and
- (2) **U.S. BANK TRUSTEES LIMITED** as security trustee for itself and on behalf of the other Secured Parties (the "**Security Agent**")

IT IS AGREED AS FOLLOWS

1. INTERPRETATION

1.1 Definitions

In this Deed

"**Acceleration Event**" has the meaning given to it in the Intercreditor Agreement,

"**Account Notice**" means a notice substantially in the form set out in Schedule 1 (*Form of Account Notice*),

"**Advantage**" means Advantage Insurance Company Limited, being a company incorporated in Gibraltar with registered number 85900,

"**Blocked Account**" has the meaning given to it in clause 5.1 (*Protection of Security*),

"**Business Day**" has the meaning given to it in the Intercreditor Agreement,

"**Charged Property**" means all cash available to the Chargor from time to time that the board of directors of the Chargor, acting reasonably and in good faith (and in any event within twenty Business Days of an Acceleration Event), determines may be paid to the Secured Parties without causing the Chargor or any of its directors to breach its or their obligations under all applicable laws and regulations including, in particular, Threshold Condition 2.4 of the FCA Handbook (and any equivalent successor or replacement regulatory provision). For the avoidance of doubt and without prejudice to the generality of the foregoing, there shall be excluded from the Charged Property all receivables owing by the customers of the Chargor to it by way of net premium due on insurance policies arranged by the Chargor which are underwritten by Advantage or any other third party insurance underwriter and all monies standing to the credit of any account for the settlement of amounts due to Advantage (and any other third party insurance underwriters) that relate to the net premium payments in respect of insurance policies underwritten by Advantage (and any other third party insurance underwriters),

"**Determination Date**" means the earlier of (i) the date on which the directors determine the amount of cash that may be paid to the Secured Parties without causing the Chargor or any of its directors to breach its or their obligations under all applicable laws and regulations including, in particular, Threshold Condition 2.4 of the FCA Handbook (and any equivalent successor or replacement regulatory provision) and (ii) the date falling 20 Business Days after an Acceleration Event,

"**Event of Default**" has the meaning given to it in the Intercreditor Agreement,

"**Intercreditor Agreement**" means the intercreditor agreement dated 21 October 2013 between, amongst others, Hastings Insurance Group (Investment) plc as Parent, Hastings Insurance Group (Finance) plc as Company and Senior Secured Notes Issuer, the companies

listed therein as Original Debtors, U S Bank Trustees Limited as Senior Secured Notes Trustee, the financial institutions listed therein as RCF Finance Parties and Hedge Counterparties, the companies listed therein as Intra-Group Lenders, Intra-Group Borrowers and Shareholder Creditors and the Security Agent,

"Net Proceeds" has the meaning given to it in clause 2.2 (*Covenant to Pay*),

"Parent" means Hastings Insurance Group (Finance) plc,

"Parties" means each of the parties to this Deed from time to time,

"Quasi Security" has the meaning given to it in the RCF Facility Agreement,

"RCF Facility Agreement" means the senior revolving facility agreement dated 21 October 2013 between, amongst others, Hastings Insurance Group (Finance) plc as Parent, Credit Suisse AG, London Branch, Goldman Sachs International and J P Morgan Limited as Arrangers, J P Morgan Europe Limited as Agent and the Security Agent,

"Receiver" means an administrator, a receiver and manager or (if the Security Agent so specifies in the relevant appointment) receiver in each case appointed under this Deed;

"Secured Debt Documents" has the meaning given to it in the Intercreditor Agreement,

"Secured Obligations" has the meaning given to it in the Intercreditor Agreement,

"Secured Parties" has the meaning given to it in the Intercreditor Agreement,

"Security" means a mortgage, charge, pledge or lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect,

"Security Agent's Spot Rate of Exchange" has the meaning given to it in the Intercreditor Agreement, and

"Transaction Security" has the meaning given to it in the RCF Facility Agreement

1.2 Construction

In this Deed, unless a contrary intention appears, a reference to

- (a) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written),
- (b) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly,
- (c) **"assets"** includes present and future properties, revenues and rights of every description,
- (d) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly,
- (e) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly,

- (f) a “**person**” includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing, and
- (g) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

1 3 Other References

- (a) In this Deed, unless a contrary intention appears, a reference to
 - (i) any “**Party**”, “**Secured Party**”, “**Chargor**”, the “**Security Agent**” or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person’s successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Secured Debt Documents,
 - (ii) any “**Secured Debt Document**” or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended or novated, including by way of increase of the facilities or other obligations or addition of new facilities or other obligations made available under them or accession or retirement of the parties to these agreements but excluding any amendment or novation made contrary to any provision of any Secured Debt Document,
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Deed and any reference to this Deed includes its schedules, and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted
- (b) The index to and the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed
- (c) Words importing the plural shall include the singular and vice versa

1 4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Deed, words and expressions defined in the Intercreditor Agreement have the same meanings when used in this Deed

1 5 Intercreditor Agreement

This Deed is subject to the terms of the Intercreditor Agreement. In the event of any conflict between the terms of this Deed and the Intercreditor Agreement, the Intercreditor Agreement shall prevail

1 6 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between the Chargor and any Secured Party relating to the Secured Obligations are incorporated in this Deed to the extent required for any purported disposition of the Charged Property contained in this Deed to be a valid disposition in

accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

- (b) Notwithstanding any other provision of this Deed, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing the floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by the Chargor or a ground for the appointment of a Receiver
- (c) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and no rights or benefits expressly or impliedly conferred by this Deed shall be enforceable under that Act against the Parties by any other person
- (d) The parties hereto intend that this document shall take effect as a deed notwithstanding that any party may only execute this document under hand.

2 COVENANT TO PAY

- 2 1 Subject to clause 2 2 below, the Chargor, as primary obligor, covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Secured Obligations when they fall due for payment
- 2 2 Notwithstanding anything to the contrary in this Deed, the Secured Parties shall have recourse only to, and shall have no right or claim under this Deed (including under clause 2 1 above) in excess of the amount of, the proceeds of enforcement of the Security created under this Deed (including through exercise of any rights of set off) and any other application or realisation of the assets the subject of the Security created under this Deed in accordance with the terms of the Intercreditor Agreement (the "Net Proceeds") For the avoidance of doubt, if the Net Proceeds received are insufficient to discharge all amounts which, but for the effect of this clause 2 2, are then due and payable by the Chargor to the Secured Parties, the obligations of the Chargor to make payment shall be limited to the amount of Net Proceeds and no amount in excess thereof shall be owed to the Secured Parties by the Chargor under this Deed

3. CHARGING PROVISIONS

- 3 1 The Chargor, as continuing security for the payment of the Secured Obligations, charges with full title guarantee in favour of the Security Agent by way of first floating charge all of the Charged Property
- 3 2 For the avoidance of doubt and without prejudice to the generality of the Security granted in clause 3 1 above, there shall be excluded from the Charged Property
 - (a) all receivables owing by the customers of the Chargor to it by way of net premium due on insurance policies arranged by the Chargor which are underwritten by Advantage or any other third party insurance underwriter, and
 - (b) all monies standing to the credit of any account for the settlement of amounts due to Advantage (and any other third party insurance underwriters) that relate to the net premium payments in respect of insurance policies underwritten by Advantage (and any other third party insurance underwriters)

3 3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Deed

3 4 **Conversion of Floating Charge**

- (a) The Security Agent may, by notice to the Chargor, convert the floating charge created under this Deed into a fixed charge with immediate effect as regards those assets specified in the notice, if the Determination Date has occurred
- (b) Upon the conversion of any floating charge pursuant to this clause 3 4, the Chargor shall, at its own expense, immediately upon reasonable request by the Security Agent execute a fixed charge or legal assignment in such form as the Security Agent may require (having regard in such documents to the Agreed Security Principles)

3 5 **Delivery of Determination**

The Chargor shall on the Determination Date deliver to the Security Agent a determination of the Charged Property, signed by a director of the Chargor

4. **NEGATIVE PLEDGE**

- 4.1 The Chargor shall not, directly or indirectly, create, incur or suffer to exist any Security upon all or any part of the Charged Property that does not constitute Transaction Security or Quasi Security, except as permitted by the Secured Debt Documents, unless all payments due under the Secured Debt Documents are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by the Security
- 4.2 The Chargor may not dispose of the equity of redemption in respect of all or any part of the Charged Property, except as permitted by the Secured Debt Documents or with the prior consent of the Security Agent

5. **PROTECTION OF SECURITY**

- 5 1 Immediately following the Determination Date, the Chargor shall deposit the Charged Property into a separate bank account in the name of the Chargor (a "**Blocked Account**") and shall, where a Blocked Account is not maintained with the Security Agent, upon the opening of such Blocked Account, serve an Account Notice on the bank with whom the Blocked Account is maintained. The Chargor shall use reasonable endeavours to procure that such bank signs and delivers to the Security Agent an acknowledgement substantially in the form of the schedule to the Account Notice within 20 Business Days of service of such Account Notice. In the event that such acknowledgement has not been obtained within such 20 Business Day period, the obligation to use reasonable endeavours to obtain such acknowledgment shall terminate
- 5 2 The Chargor may not withdraw all or any monies from time to time standing to the credit of any Blocked Account in respect of which an Account Notice has been served in accordance with clause 5 1 above

6. **SECURITY AGENT'S POWER TO REMEDY**

If the Chargor fails to comply with any obligation set out in clause 5 (*Protection of Security*) and that failure is not remedied to the satisfaction of the Security Agent within 14 days of the Security Agent giving notice to the Chargor or the Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Security Agent, or any person which the Security Agent nominates, to take any action on behalf of the Chargor which is necessary to ensure that those obligations are complied with

7. CONTINUING SECURITY

7.1 Continuing Security

The Security constituted by this Deed shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing

7.2 Other Security

The Security constituted by this Deed is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Deed hold for any of the Secured Obligations, and this Security may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party

8. ENFORCEMENT OF SECURITY

8.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time after the Determination Date

8.2 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Deed, those contained in this Deed shall prevail

8.3 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed, and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to the Chargor at any time after the Determination Date, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property

8.4 Disapplication of Statutory Restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this Deed

8.5 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes "financial collateral" and this Deed and the obligations of the Chargor hereunder constitute "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (as amended) (the "Regulations")), the Security Agent shall have the right to appropriate all or any part

of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the Chargor at any time after the Determination Date

- (b) The Parties agree that the value of any such appropriated financial collateral shall be the market value of such financial collateral as determined by the Security Agent, in each case, in a commercially reasonable manner (including by way of an independent valuation) The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations

8 6 Application of funds

At any time after the Determination Date the Security Agent may and is hereby irrevocably and unconditionally authorised, without further enquiry and without giving any additional notice to the Chargor or the Parent or obtaining any consent, to apply the whole or part of the Charged Property in or towards the payment of the Secured Obligations

9. RECEIVERS

9 1 Appointment of Receiver

- (a) Subject to paragraph (c) below, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to the Chargor, or if so requested by the Chargor, the Security Agent may by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Deed
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986

9 2 Powers of Receiver

Each Receiver appointed under this Deed shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of the Chargor,
- (b) enter into or cancel any contracts on any terms or conditions,
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not,
- (d) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on

the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

- (e) appoint and discharge officers and others for any of the purposes of this Deed and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit,
- (f) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property, and
- (g) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 9 2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit

9 3 Receiver as Agent

Each Receiver shall be the agent of the Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver

9 4 Removal of Receiver

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason

9 5 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it

9 6 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise)

10. APPLICATION OF PROCEEDS

10 1 Order of Application

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Deed shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by the Intercreditor Agreement notwithstanding any purported appropriation by the Chargor

10 2 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed

10 3 Application against Secured Obligations

Subject to clause 10 1 above, any moneys or other value received or realised by the Security Agent from the Chargor or a Receiver under this Deed may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Security Agent may determine

11. PROTECTION OF SECURITY AGENT AND RECEIVER

11 1 No Liability

Neither the Security Agent nor any Receiver shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence or wilful default

11 2 Primary liability of Chargor

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this Deed and the charges contained in this Deed shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this Deed (as secondary or collateral charges only) would, but for this provision, have been discharged

11 3 Waiver of defences

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

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person,
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person,

- (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Secured Debt Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Secured Debt Document or other document or security,
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or security, or
- (g) any insolvency or similar proceedings.

11.4 Chargor Intent

Without prejudice to the generality of clause 11.3 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Debt Documents and/or any facility or amount made available under any of the Secured Debt Documents for the purposes of or in connection with any of the following business acquisitions of any nature, increasing working capital, enabling investor distributions to be made; carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making facilities available to new borrowers, any other variation or extension of the purposes for which any such facility or amount might be made available from time to time and expressly agreed to by the Chargor or the Parent on behalf of the Chargor, and any reasonably and properly incurred fees, costs and/or expenses associated with any of the foregoing

11.5 Security Agent

- (a) The provisions set out in clause 18 (*The Security Agent*) of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this Deed
- (b) The Security Agent executes this Deed in exercise of the power and authority conferred and vested in it under the Intercreditor Agreement for and on behalf of the Secured Parties for which it acts. It will exercise its powers and authority under this Deed in the manner provided for it in the Intercreditor Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, indemnities and benefits conferred to it in its capacity as Security Agent under the Intercreditor Agreement. The Security Agent shall not owe any fiduciary duties to the Chargor.
- (c) Notwithstanding any other provision of this Deed, in acting under and in accordance with this Deed, the Security Agent is entitled to seek instructions from the Secured Parties in accordance with the provisions of the Intercreditor Agreement at any time, and where it so acts on the instructions of the Secured Parties the Security Agent shall not incur any liability to any person for so acting

11.6 Cumulative Powers

The powers which this Deed confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment

12. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed, following an Event of Default which is continuing or where the Chargor has failed to comply with its obligations to which this power of attorney relates (including for the avoidance of doubt clause 27.27 (*Further Assurance*) of the RCF Facility Agreement) to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it is required to execute and do under the terms of this Deed, or which may be required or deemed proper by the Security Agent (acting reasonably) in the exercise of any rights or powers conferred on the Security Agent or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and the Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney. The power of attorney granted pursuant to this Clause 12 shall be immediately terminated once all of the Secured Obligations have been irrevocably paid in full.

13. PROTECTION FOR THIRD PARTIES

13.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire whether

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

13.2 Receipt Conclusive

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Security Agent or any Receiver.

14. COSTS AND EXPENSES

For the avoidance of doubt, clause 22 (*Costs and Expenses*) of the Intercreditor Agreement shall apply to any amount payable under this Deed to the Security Agent, any Secured Party or to any Receiver or Delegate.

15. REINSTATEMENT AND RELEASE

15.1 Amounts Avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid.

15.2 Discharge Conditional

Any settlement or discharge between the Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Deed) that Secured Party shall be entitled to recover from the Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred

15.3 Covenant To Release

Once all the Secured Obligations have been irrevocably paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, the Chargor, the Security Agent and each Secured Party shall, at the request and cost of the Chargor, execute any documents (or procure that its nominees execute any documents) or take any action which may be necessary to release the Charged Property from the Security constituted by this Deed

16. CURRENCY CLAUSES

16.1 Conversion

All monies received or held by the Security Agent or any Receiver under this Deed may be converted into any other currency which the Security Agent considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Agent's Spot Rate of Exchange

16.2 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action against the Chargor and shall be entitled to enforce the Security constituted by this Deed to recover the amount of the shortfall

17. SET-OFF

17.1 Set-off rights

- (a) Following the occurrence of the Determination Date, the Security Agent may set off any matured obligation due from the Chargor under the Secured Debt Documents (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off
- (b) Notwithstanding paragraph (a) above, the Security Agent shall be permitted to exercise the above set-off rights only in respect of obligations up to a total amount that does not exceed the amount of the Charged Property as determined on the Determination Date

17.2 Unliquidated Claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to the Chargor, the relevant obligation or liability is unliquidated or unascertained, the Security Agent may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained

17.3 No Set-off

The Chargor will pay all amounts payable under this Deed without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made

18. RULING OFF

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Secured Debt Documents) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations

19. REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after the Determination Date, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer, whether requested prior to or following such redemption or transfer

20. NOTICES

20.1 Communications in writing

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

20.2 Addresses

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

- (a) as shown immediately after its name on the execution pages of this Deed (in the case of any person who is a party as at the date of this Deed),
- (b) in the case of any person who becomes a party after the date of this Deed, notified in writing to the Security Agent on or prior to the date on which it becomes a party,

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

20 3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective
 - (i) if by way of fax, when received in legible form, or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,and, if a particular department or officer is specified as part of its address details provided under clause 20 2 (*Addresses*), if addressed to that department or officer
- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose)

21. CHANGES TO PARTIES

21 1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the Secured Debt Documents

21 2 Changes to Parties

The Chargor authorises and agrees to changes to parties under any Secured Debt Document and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

22. MISCELLANEOUS

22 1 Counterparts

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

22 2 Invalidity of any Provision

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way

22 3 Failure to Execute

Failure by one or more Parties to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other Parties who do execute this Deed

23. GOVERNING LAW AND JURISDICTION

- (a) This Deed and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.

- (b) Subject to clause (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Deed) (a “Dispute”) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary
- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Deed shall limit the right of the Secured Parties to bring any legal action against the Chargor in any other court of competent jurisdiction.

IN WITNESS whereof this Deed has been duly executed as a deed on the date first above written

SCHEDULE 1

FORM OF ACCOUNT NOTICE

To [insert name and address of Account Bank] (the "Account Bank")

Dated [●]

Dear Sirs

Re: Hastings Insurance Services Limited - Security over Bank Accounts

We notify you that Hastings Insurance Services Limited (the "Chargor") charged to [insert name of Security Agent] (the "Security Agent") for the benefit of itself and certain other banks and financial institutions its right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice (the "Charged Account[s]") and to all interest (if any) accruing on the Charged Account[s] by way of a Floating Charge Agreement dated [●] February 2014 (the "Floating Charge")

- 1 We irrevocably authorise and instruct you
 - (a) to hold all monies from time to time standing to the credit of the Charged Account[s] to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect, and
 - (b) to disclose to the Security Agent any information relating to the Chargor and the Charged Account[s] which the Security Agent may from time to time request you to provide
- 2 We also advise you that
 - (a) the Chargor may not withdraw any monies from the Charged without first having obtained the prior written consent of the Security Agent, and
 - (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent
- 3 Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of your confirmation that
 - (a) you agree to act in accordance with the provisions of this notice,
 - (b) you have not received notice that the Chargor has assigned its rights to the monies standing to the credit of the Charged Account[s] or otherwise granted any security or other interest over those monies in favour of any third party,
 - (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Account[s], except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Agent, and

- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Charged Account[s]

The provisions of this notice are governed by English law

Schedule

Customer	Account Number	Sort Code
[•]	[•]	[•]

Yours faithfully,

for and on behalf of
Hastings Insurance Services Limited

Counter-signed by

for and on behalf of
[*Insert name of Security Agent*]

[*On acknowledgement copy*]

To [*Insert name and address of Security Agent*]

Copy to Hastings Insurance Services Limited

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs 3(a) to 3(d) above

for and on behalf of
[*Insert name of Account Bank*]

Dated [●]

SIGNATORIES TO DEED

THE CHARGOR

EXECUTED as a DEED by
HASTINGS INSURANCE SERVICES LIMITED acting by:

_____ 

Name GARY HOEFMAN

Title DIRECTOR

Witness: _____

Name: JONATHAN A. DIVEASH GREEN

Address _____

Occupation Lawyer

Notice Details

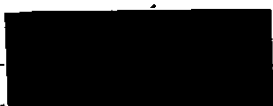
Address Conquest House, Collington Avenue, Bexhill-on-Sea, East Sussex TN39 3LW

Facsimile +44 1424 735 742

Attention Company Secretary

THE SECURITY AGENT

EXECUTED as a DEED by
U.S. BANK TRUSTEES LIMITED acting by:

Name:  **Chris Yates**
Authorised Signatory

Title:

Name: 
Title: **Michael Whelan**
Authorised Signatory

Notice Details

Address 5th Floor, 125 Old Broad Street, London EC2N 1AR
Facsimile. +44 207 365 2577
Attention MBS Relationship Management