



**Registration of a Charge**

Company name: **LHIF HOLDINGS (2) LIMITED**

Company number: **10762140**

Received for Electronic Filing: **04/01/2018**



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**Details of Charge**

Date of creation: **21/12/2017**

Charge code: **1076 2140 0001**

Persons entitled: **LLOYDS BANK PLC AS SECURITY AGENT**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **WE 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 PART OF THE CHARGING INSTRUMENT SIGNED BY OR ON BEHALF OF THE CHARGOR, AND A CORRECT COPY OF THE SIGNATURE PAGE TO EACH OTHER PART OF SUCH CHARGING INSTRUMENT.**

Certified by:

**DENTONS UKMEA LLP**



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

Company number: 10762140

Charge code: 1076 2140 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st December 2017 and created by LHIF HOLDINGS (2) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th January 2018 .

Given at Companies House, Cardiff on 8th January 2018

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

EXECUTION COPY

## Assignment of Subordinated Debt

by way of security

**Dated** 21 December 2017

**LHIF Holdings (2) Limited**  
(as Assignor)

**Lloyds Bank plc**  
(the Security Agent)

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## Assignment

**Dated** 21 December 2017

### Between

- (1) **LHIF Holdings (2) Limited**, a company incorporated under the laws of England and Wales with registered number 10762140 having its registered office at One New Change, London, United Kingdom, EC4M 9AF (the **Assignor**); and
- (2) **Lloyds Bank plc** as trustee for the Secured Parties (the **Security Agent**).

### Recitals

- A. The Finance Parties have agreed to make credit facilities available to the Borrower on the terms of the Facility Agreement, a copy of which has been made available to the Assignor.
- B. Under the Subordination Agreement, the Assignor has agreed to subordinate the Subordinated Debt to the Secured Liabilities.
- C. The Assignor has agreed to provide Security to the Security Agent (as trustee for the Secured Parties) over the Subordinated Debt Rights to secure the payment and discharge of the Secured Liabilities.

### This deed witnesses

#### 1 Definitions and construction

##### 1.1 Definitions

Words and expressions defined in the Facility Agreement shall have the same meanings in this Assignment unless they are expressly defined in it and, in addition, in this Assignment:

**Act** means the Law of Property Act 1925.

**Default Rate** means the rate of interest specified in, and calculated in accordance with, clause 8.5 (*Default interest*) of the Facility Agreement.

**Distressed LLP Transfer** means any disposal or appropriation of any of the membership interests of an Obligor:

- (a) by the enforcement of any Security Assignments Over Partnership Interests; or
- (b) otherwise after any Security Assignments Over Partnership Interests has become enforceable.

**Facility Agreement** means the facility agreement dated on or around the date of this Assignment between, among others, LHIF (6) LLP as borrower and the Security Agent.

**Receiver** means a receiver appointed pursuant to this Assignment or to any applicable law, whether alone or jointly, and includes a receiver and/or manager.

**Relevant Jurisdiction** has the same meaning as in the Facility Agreement, but as applied to the Assignor.

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

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

**Security Period** means the period starting on the date of this Assignment and ending on the date on which the Security Agent is satisfied that:

- (a) all of the Secured Liabilities have been fully and finally discharged; and
- (b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents.

**Subordination Agreement** means the subordination agreement dated on or about the date hereof between, among others (1) LHIF (6) LLP as an obligor (2) the Assignor as a junior creditor and (3) the Security Agent.

**Subordinated Debt** means all liabilities payable or owing by an Obligor to the Assignor including all such liabilities (whenever created) which are transferred or assigned to, or otherwise acquired by, the Junior Creditor after the date of this Assignment.

**Subordinated Debt Rights** means all of the Assignor's rights under and interest in the Subordinated Debt and each Subordinated Loan Agreement including:

- (a) all moneys which may become payable, and the benefit of all property and claims, under them; and
- (b) any claim or action against an Obligor pursuant to them.

**Subordinated Loan Agreement** means:

- (a) the £73,365.25 loan agreement between the Borrower and the Assignor dated on or about the date of this Assignment; and
- (b) any other agreement evidencing or recording the terms of any Subordinated Debt from time to time,

in each case, as amended, varied, novated, supplemented and replaced from time to time.

## **1.2 Construction**

1.2.1 The principles of construction set out in clause 1.2 (**Construction**) of the Facility Agreement shall apply to this Assignment, insofar as they are relevant to it and subject to any necessary changes, as they apply to the Facility Agreement.

1.2.2 Unless a contrary intention appears, any reference in this Assignment to:

- (a) this **Assignment** is a reference to this Assignment as amended, varied, novated, supplemented and replaced from time to time;
- (b) the **Assignor**, the **Security Agent** or any other **Secured Party** includes any one or more of its assigns, transferees and successors in title (in the case of the Assignor, so far as any such is permitted); and
- (c) the **Security Agent** or any other **Secured Party** (except for the references in Clause 15 (*Power of attorney*)), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.

### **1.3 Third party rights**

- 1.3.1 Unless expressly provided to the contrary in this Assignment, a person who is not a party to this Assignment has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Assignment.
- 1.3.2 The parties to this Assignment may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Assignment without the consent of any person that is not a party (without prejudice to the terms of the other Finance Documents).
- 1.3.3 Any Secured Party or any person described in Clauses 10 (*Protection of purchasers*), Clause 11 (*Protection of the Security Agent and others*), Clause 12.6.2 (*Deferral and waiver of Assignor's rights*) or Clause 18 (*Disclosure of information*) may, subject to this Clause 1.3 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Assignment which expressly confers rights on it.

### **1.4 Effect as a deed**

This Assignment shall take effect as a deed even if it is signed under hand on behalf of the Security Agent.

## **2 Covenant to pay**

- 2.1 The Assignor covenants with the Security Agent and the other Secured Parties that it will on demand pay and discharge the Secured Liabilities when due.
- 2.2 The recourse of the Security Agent to the Assignor pursuant to this Assignment shall be limited to the Security Assets.
- 2.3 The Security Agent acknowledges that the effect of Clause 2.2 above is that in seeking or obtaining payment or recovery of any moneys payable under any of the Finance Documents or any moneys payable pursuant to any document or obligation arising out of any Finance Document it shall have no recourse to (and shall not resort to) any assets of the Assignor other than to those assets comprising the Security Assets

## **3 Assignment**

### **3.1 Assignment**

- (a) The Assignor assigns the Subordinated Debt Rights by way of security to the Security Agent.



- (b) Notwithstanding the assignment of the Subordinated Debt Rights under Clause 3.1(a), until an Event of Default has occurred and is continuing, the Assignor may continue to:
  - (i) exercise the Subordinated Debt Rights and any discretions relating to them (but may not amend or dispose of them), provided it does so in accordance with the Finance Documents; and
  - (ii) receive notices and payments under the Subordinated Loan Agreement.
- (c) At any time on or following an Event of Default which is continuing the Security Agent may:
  - (i) exercise the Subordinated Debt Rights and any discretions relating to them; and
  - (ii) receive notices and payments under the Subordinated Loan Agreement,
 by giving notice to the counterparty to the Subordinated Loan Agreement to that effect.
- (d) At any time on or following an Event of Default which is continuing:
  - (i) until the Security Agent has given notice to a counterparty to the Subordinated Loan Agreement under Clause 3.1(c), the Assignor shall exercise the Subordinated Debt Rights under the Subordinated Loan Agreement and any discretions relating to them only in accordance with the Security Agent's instructions;
  - (ii) the Assignor shall deliver a copy of any notice it receives under the Subordinated Loan Agreement promptly to the Security Agent (including any notice it may receive after the Security Agent has given notice to the counterparty to the Subordinated Loan Agreement under Clause 3.1(c)); and
  - (iii) the Assignor shall pay any amounts it receives under the Subordinated Loan Agreement to the Security Agent or as the Security Agent directs (including any payment it may receive after the Security Agent has given notice to the counterparty to the Subordinated Loan Agreement under Clause 3.1(c)).

### **3.2 Trust**

If or to the extent that the assignment of any Subordinated Debt Right is ineffective because of a prohibition on that assignment (and without prejudice to the representation and warranty in paragraph (b) of Clause 5.2 (*Binding obligations*)), the Assignor holds it on trust for the Security Agent.

## **4 Nature of Security created**

The Security created under this Assignment is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) in favour of the Security Agent as trustee for the Secured Parties; and

- (c) with full title guarantee.

## **5 Representations and warranties**

The Assignor makes the representations and warranties set out in this Clause 5 to the Security Agent. The Security Agent and the other Secured Parties have relied on these representations when entering into the Finance Documents to which they are a party.

### **5.1 Status**

- 5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- 5.1.2 It has the power to sue and be sued in its own name and to own its assets and carry on its business as that business is being and will be conducted.

### **5.2 Binding obligations**

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in this Assignment are legal, valid, binding and enforceable obligations;
- (b) the Subordinated Debt Rights are fully and freely assignable; and
- (c) (without limiting the generality of paragraph (a) above), the security interests which this Assignment purports to create are valid and effective

### **5.3 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Assignment and the granting of the Security created or expressed to be created in favour of the Security Agent pursuant to this Assignment do not and will not conflict with:

- (a) any law or regulation applicable to it or binding on its assets;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

### **5.4 Power and authority**

- 5.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Assignment and the transactions contemplated by it.
- 5.4.2 No limit on its powers will be exceeded as a result of the grant of Security contemplated by this Assignment.

### **5.5 Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Assignment; and
  - (b) to make this Assignment admissible in evidence in each Relevant Jurisdiction,
- have been obtained or effected and are in full force and effect.

## **5.6 Governing law and enforcement**

5.6.1 The choice of English law as the governing law of this Assignment will be recognised and enforced in its Relevant Jurisdictions.

5.6.2 Any judgment obtained in England in relation to this Assignment will be recognised and enforced in its Relevant Jurisdictions.

## **5.7 No filing or stamp taxes**

Under the law of its Relevant Jurisdictions it is not necessary that this Assignment be filed, recorded or enrolled with any court or other authority in that jurisdiction, or that any stamp, registration or similar tax be paid on or in relation to it or any of the transactions contemplated by it except registration of particulars of this Assignment at the Companies Registration Office in England and Wales in accordance with Part 25 (*Company Charges*) of the Act or any regulations relating to the registration of charges made under, or applying the provisions of, the Act and payment of associated fees, which registration and fees will be made and paid promptly after the date of this Assignment.

## **5.8 Ranking**

The Security conferred by this Assignment has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security.

## **5.9 Legal and beneficial ownership**

Immediately before the assignment in Clause 3.1 (*Assignment*) it was the sole legal and beneficial owner of the Subordinated Debt Rights.

## **5.10 Solvency**

It is not deemed to be unable to pay its debts for the purpose of section 123 of the Insolvency Act 1986 (but ignoring any requirement that any matter referred to in that section be proved to the satisfaction of the court), nor will it become so in consequence of entering into this Assignment.

## **5.11 Security**

It has not created, nor has it permitted to be created, any Security over any Subordinated Debt Right other than pursuant to this Assignment.

## **5.12 Repetition**

The Assignor makes all the representations and warranties set out in this Clause 5 on the date of this Assignment. The representations and warranties in Clauses 5.1 (*Status*) to 5.8 (*Ranking*) are deemed to be repeated by reference to the facts and circumstances then existing on each date on which the Repeating Representations are deemed to be repeated.

## **6 Positive covenants**

The covenants in this Clause 6 remain in force from the date of this Assignment until the expiry of the Security Period.

### **6.1 Notice to an Borrower**

Immediately after executing this Assignment the Assignor shall:

- (a) promptly give notice to the Borrower in the form set out in Schedule 1 (*Form of notice of assignment*); and
- (b) procure that the Borrower promptly acknowledges that notice in the form set out in Schedule 2 (*Form of acknowledgement and confirmation*), or in any other form agreed by the Security Agent,

save where such notice and acknowledgement is provided for in the Subordination Agreement.

### **6.2 Information about the Subordinated Loan Agreements**

The Assignor shall provide the Security Agent with all information relating to the Subordinated Debt Rights which the Security Agent requests.

### **6.3 Third party claims**

The Assignor shall promptly inform the Security Agent of any claim or notice relating to any Subordinated Debt Rights which it receives from any third party.

### **6.4 Payments without deduction**

The Assignor shall calculate and make all payments to be made by it under this Assignment without (and free and clear of any deduction for) set-off or counterclaim.

## **7 Negative covenants**

The covenants in this Clause 7 remain in force from the date of this Assignment until the expiry of the Security Period.

### **7.1 Disposals**

The Assignor shall not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, license, transfer, loan or otherwise dispose of any Subordinated Debt Right or enter into an agreement to make any such disposal.

### **7.2 Negative pledge**

The Assignor shall not create or permit to subsist any Security over any Subordinated Debt Right except for Security created pursuant to this Assignment.

### **7.3 Preservation of the Subordinated Loan Agreements**

The Assignor shall not take any Security in connection with its liabilities under this Assignment from any guarantor of, or provider of Security for, any of the Secured Liabilities.

## **8 Enforcement**

### **8.1 When Security becomes enforceable**

The Security created by this Assignment shall become enforceable:

- (a) on the occurrence of an Event of Default which is continuing; or
- (b) if the Assignor so requests.

### **8.2 Powers on enforcement**

At any time after the Security created by this Assignment has become enforceable the Security Agent may (without prejudice to any other of its rights and remedies and without notice to the Assignor) do all or any of the following:

- (a) sell or otherwise dispose of the Subordinated Debt Rights and otherwise exercise all the other powers and rights conferred on mortgagees by the Act, as varied and extended by this Assignment, without the restrictions contained in sections 103 or 109(1) of the Act; and
- (b) subject to Clause 9.1.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Subordinated Debt Rights.

### **8.3 Application of moneys**

8.3.1 The Security Agent shall apply any moneys received or recovered by it pursuant to this Assignment in accordance with the Facility Agreement.

8.3.2 Any Receiver shall apply any moneys received or recovered by it pursuant to this Assignment:

- (a) first, in or towards the pro rata payment of or provision for any sums owing to the Security Agent, any Receiver or any Delegate; and
- (b) secondly, to the Security Agent for application in accordance with Clause 8.3.1, and section 109(8) of the Act shall not apply.

8.3.3 Clauses 8.3.1 and 8.3.2 will override any appropriation made by the Assignor.

## **9 Appointment and powers of Receivers**

### **9.1 Method of appointment and removal**

9.1.1 The Security Agent may not appoint a Receiver by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

- 9.1.2 Every appointment or removal of a Receiver, of any delegate or of any other person by the Security Agent pursuant to this Assignment may be made in writing under the hand of any officer or manager of the Security Agent.

## **9.2 Powers of Receiver**

Every Receiver shall have all the powers:

- (a) of the Security Agent under this Assignment;
- (b) conferred by the Act on mortgagees in possession and on receivers appointed under the Act;
- (c) which are specified in Schedule 1 of the Insolvency Act 1986 in relation to, and to the extent applicable to, the Subordinated Debt Rights or any of them (whether or not the Receiver is an administrative receiver within the meaning of that Act); and
- (d) in relation to any Subordinated Debt Right, which he would have if he were its absolute owner.

## **9.3 Joint or several**

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Assignment.

## **9.4 Receiver as agent**

Every Receiver shall be the agent of the Assignor which shall be solely responsible for his acts and defaults and for the payment of his remuneration.

## **9.5 Receiver's remuneration**

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent, and the maximum rate specified in section 109(6) of the Act shall not apply.

## **10 Protection of purchasers**

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound or concerned:

- (a) to see or enquire whether the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Assignment has arisen or not;
- (b) with the propriety of the exercise or purported exercise of those powers; or
- (c) with the application of any moneys paid to the Security Agent, to any Receiver or to any other person.

## **11 Protection of the Secured Parties**

### **11.1 Exclusion of liability**

None of the Security Agent, the other Secured Parties or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any action taken in relation to all or any of the Subordinated Debt Rights;
- (b) for any failure to take any action in relation to all or any of the Subordinated Debt Rights, and in particular any failure to:
  - (i) forward to the Assignor any report, circular or other communication received by the Security Agent in relation to any Subordinated Loan Agreement;
  - (ii) accept or decline any offer made in respect of any Subordinated Loan Agreement;
  - (iii) make any payment in relation to any Subordinated Loan Agreement;
  - (iv) enforce the payment of any moneys which may become payable under any Subordinated Loan Agreement; or
  - (v) make any enquiries as to the nature or sufficiency of any payments which it receives;
- (c) to account as mortgagee in possession or for any loss on realisation of any Subordinated Debt Right;
- (d) for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 16 (*Currency*); or
- (e) for any other default or omission in relation to all or any of the Subordinated Debt Rights for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

### **11.2 General indemnity**

11.2.1 The Assignor shall indemnify the Security Agent, the other Secured Parties and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to all or any of the Subordinated Debt Rights;
- (b) any payment relating to any Subordinated Loan Agreement which becomes payable at any time by any of them;
- (c) any stamp, registration or similar Tax which becomes payable in connection with the entry into, or the performance or enforcement of, this Assignment;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Assignment; and

- (e) any breach by the Assignor of any of its covenants or other obligations to the Security Agent or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

- 11.2.2 The Assignor shall pay interest at the Default Rate on the sums payable under this Clause from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

### **11.3 Indemnity out of the Subordinated Debt Rights**

The Security Agent, the other Secured Parties and their respective officers and employees shall be entitled to be indemnified out of the Subordinated Debt Rights in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 11.2 (*General indemnity*).

## **12 Preservation of Security**

### **12.1 Reinstatement**

If any payment by the Assignor or discharge given by the Security Agent (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liabilities of the Assignor and the Security created by this Assignment shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from the Assignor, as if the payment, discharge, avoidance or reduction had not occurred.

### **12.2 Waiver of defences**

Neither the Security created by this Assignment nor the obligations of the Assignor under this Assignment shall be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Security Agent or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement 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 (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

### **12.3 Assignor intent**

Without prejudice to the generality of Clause 12.2 (*Waiver of defences*), the Assignor expressly confirms that it intends that the Security created by this Assignment shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

### **12.4 Immediate recourse**

The Assignor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Assignor under this Assignment. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

### **12.5 Appropriations**

During the Security Period each Secured Party may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 8.3 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Assignor shall not be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any moneys received from the Assignor or on account of the Secured Liabilities.

## **12.6 Deferral and waiver of Assignor's rights**

12.6.1 Without prejudice to Clause 12.6.2, during the Security Period, unless the Security Agent otherwise directs, the Assignor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Assignment or the enforcement of the Security created by this Assignment:

- (a) to receive or claim payment from, or be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to exercise any right of set-off against any Obligor; and/or
- (e) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

12.6.2 On and from any Distressed LLP Transfer, the Assignor waives all its rights described under Clause 12.6.1 absolutely and permanently (both during and after the Security Period). The Borrower may rely on this Clause 12.6.2.

## **12.7 Additional Security**

This Assignment is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to any Secured Party.

## **12.8 New accounts**

If any Secured Party receives notice (actual or otherwise) of any subsequent Security over or affecting all or any of the Subordinated Debt Rights it may open a new account or accounts in the name of the Borrower and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by or on behalf of the Borrower to that Secured Party:

- (a) shall be credited or be treated as having been credited to the new account; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Secured Party received or was deemed to have received such notice.

## **13 Tacking**

For the purposes of section 94(1) of the Act the Security Agent confirms on behalf of the Lenders that the Lenders shall make further advances to the Borrower on the terms and subject to the conditions of the Finance Documents.

## **14 Further assurance**

### **14.1 Registration at Companies House**

The Assignor consents to the registration of this Assignment at Companies House pursuant to Part 25 of the Companies Act 2006.

### **14.2 Further Action**

The Assignor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Agent may require in order to:

- (a) give effect to the requirements of this Assignment;
- (b) protect, preserve and perfect the Security intended to be created by or pursuant to this Assignment;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Assignment with any other Security over any Subordinated Debt Rights; or
- (d) facilitate the realisation of all or any of the Subordinated Debt Rights or the exercise of any rights, powers and discretions conferred on the Security Agent or any Receiver in connection with all or any of the Subordinated Debt Rights,

and any such document may disapply section 93 of the Act.

## **15 Power of attorney**

The Assignor irrevocably and by way of security appoints each of:

- (a) the Security Agent;
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Agent; and
- (c) any Receiver,

jointly and severally as the Assignor's attorney, in the Assignor's name, on its behalf and in such manner as the attorney in its or his absolute discretion thinks fit following the occurrence of an Event of Default or following the failure by the Assignor to comply with a request from the Security Agent, to take any action and sign or execute any further documents which the Assignor is required to take, sign or execute in accordance with this Assignment. The Assignor agrees, promptly on the request of the Security Agent or any Receiver, to ratify and confirm all such actions taken and documents signed or executed.

## **16 Currency**

### **16.1 The Spot Rate**

In this Clause 16, the Spot Rate means, in relation to the Security Agent or any other Finance Party, the spot rate of exchange of that Finance Party for the purchase of any currency with any other currency in the London foreign exchange market.

## **16.2 Conversion of moneys received**

The Security Agent or any other Finance Party may convert any moneys received, recovered or realised in any currency under this Assignment (including the proceeds of any previous conversion under this Clause 16) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

## **17 Resignation of the Security Agent**

The Security Agent may resign, and a successor Security Agent may be appointed, in accordance with the Facility Agreement.

## **18 Disclosure of information**

The Security Agent or any other Secured Party may disclose any information about the Assignor or this Assignment in accordance with the Facility Agreement.

## **19 Re-assignment of Subordinated Loan Agreements**

### **19.1 Time of re-assignment**

On the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, unless any third party has any subrogation or other rights in respect of the Security created by this Assignment at that time, the Security Agent shall, or shall procure that its appointees will, at the request and cost of the Assignor, re-assign all interest which it then has in the Subordinated Debt Rights to the Assignor. Section 93 of the Act shall not apply to this Assignment.

### **19.2 Representations on re-assignment**

The Security Agent shall make and give no representations, warranties or covenants in relation to any Subordinated Debt Rights re-assigned pursuant to Clause 19.1 (*Time of re-assignment*) except that it has not itself created any Security over them.

## **20 Costs and expenses**

### **20.1 Transaction expenses**

The Assignor shall promptly on demand pay the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of this Assignment.

### **20.2 Amendment costs**

If the Assignor requests an amendment, waiver, consent or release of or in relation to this Assignment, the Assignor shall, within three Business Days of demand, reimburse the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by it in responding to, evaluating, negotiating or complying with that request or requirement.

### **20.3 Enforcement costs**

The Assignor shall, within three Business Days of demand, pay to the Security Agent or any Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by

the Security Agent or any Receiver or Delegate in connection with the enforcement of, or the preservation of any rights under, this Assignment or the investigation of any possible Default.

## **21 Notices**

### **21.1 Communications in writing**

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

### **21.2 Addresses**

21.2.1 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Assignment is that identified with its name below or any substitute address, fax number or department or officer as either party may notify to the other by not less than five Business Days' notice.

21.2.2 The addresses referred to in Clause 21.2 are:

(a) The Assignor:

Address: 7th Floor, 33 Wigmore Street, London, W1U 1QX.

Attention: James Aumonier and Josephine Laurie

Fax: N/A

(b) The Security Agent:

Address: Lloyds Bank, 1st Floor, 10 Gresham Street, London, EC2V 7AE

Attention: Richard MacDowell

Fax: N/A

### **21.3 Delivery**

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

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

(b) if by way of letter, (i) when it has been left at the relevant address or (ii) two Business Days (or, in the case of airmail, five Business Days) after being deposited in the post postage prepaid (or, as the case may be, airmail 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 21.2 (*Addresses*), if addressed to that department or officer.

21.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly

marked for the attention of the department or officer identified in Clause 21.2.2 (or any substitute department or officer as the Security Agent shall specify for this purpose).

#### **21.4 English language**

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

21.4.2 All other documents provided under or in connection with this Assignment must be:

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

#### **22 Calculations and certificates**

##### **22.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Assignment, the entries made in the accounts maintained by the Security Agent or any other Secured Party are *prima facie* evidence of the matters to which they relate.

##### **22.2 Certificates and determinations**

Any certification or determination by the Security Agent or any other Secured Party of a rate or amount under this Assignment is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

#### **23 Partial invalidity**

If, at any time, any provision of this Assignment is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

#### **24 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Assignment shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Assignment are cumulative and not exclusive of any rights or remedies provided by law.

#### **25 Amendments and waivers**

Any term of this Assignment may be amended or waived only with the written consent of the Assignor and the Security Agent.

#### **26 Counterparts**

This Assignment 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 Assignment.

## **27 Governing law and enforcement**

### **27.1 Governing law**

English law governs this Assignment, its interpretation and any non-contractual obligations arising from or connected with it.

### **27.2 Jurisdiction**

27.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Assignment (including a dispute regarding the existence, validity or termination of this Assignment) (a **Dispute**).

27.2.2 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.

27.2.3 Notwithstanding Clause 27.2.1, neither the Security Agent nor any other Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent and the other Secured Parties may take concurrent proceedings in any number of jurisdictions.

**Executed** as a deed and delivered on the date appearing at the beginning of this Assignment.

## Schedule 1 - Form of notice of assignment

To:               \*\*               *[insert name and address of borrower of the subordinated debt]*

Attention:       \*\*

Date:            \*\*

Dear Sirs

### Notice of assignment of Subordinated Debt

We refer to the Subordinated Loan Agreement between \*\* and \*\* dated \*\* (the **Subordinated Loan Agreement**) and the subordination deed (the **Subordination Agreement**) dated on or about the date of this letter between you, us and Lloyds Bank plc (the **Security Agent**).

We give you notice that by an assignment (the **Assignment**) dated \*\* between ourselves and the Security Agent we have assigned by way of security to the Security Agent (as trustee for itself and certain other banks and financial institutions) all our rights under the Subordinated Loan Agreement and our rights to any other liabilities you may owe to us now or in the future, including all moneys which may become payable by you and including any claim or action against you (together the **Subordinated Debt Rights**).

Regardless of any previous authorisations or instructions which we may have given you and without making any enquiry as to the justification for the matter:

- (a) without prejudice to the Subordination Agreement, we irrevocably authorise and instruct you to pay to the Security Agent all moneys which may become payable pursuant to the Subordinated Debt Rights;
- (b) we ask you:
  - (i) to disclose to the Security Agent any information relating to the Subordinated Debt Rights which the Security Agent may from time to time request you to disclose to it; and
  - (ii) without reference to us, to comply with all instructions and requests you may receive from the Security Agent in relation to the Subordinated Debt Rights.

The instructions and requests contained in this letter may not be revoked or varied without the written agreement of the Security Agent.

This letter is governed by English law.

Please acknowledge and confirm to the Security Agent your agreement to the above in the form attached, with a copy to us.

Yours faithfully,

.....

for and on behalf of *[Assignor]*

copy: Lloyds Bank plc



## Schedule 2 - Form of acknowledgement and confirmation

To: Lloyds Bank plc

Attention: \*\*

Date: \*\*

Dear Sirs

### Notice of assignment of Subordinated Debt

We acknowledge receipt of a notice (the **Notice**) from [ ] (the **Assignor**) dated [ ] of the assignment by the Assignor to you of the Subordinated Debt Rights (as defined in the Notice).

We confirm that:

- (a) we have received the Notice and agree to comply with the instructions and requests contained in the Notice;
- (b) the Subordinated Debt Rights are, and were at the date of assignment, fully and freely assignable;
- (c) we have not received notice of any assignment, encumbrance, interest, claim or right, in favour of any third party, of, over or in respect of the Subordinated Debt Rights; and
- (d) we do not hold or have, nor will we claim, assert, create or make, any encumbrance, interest, counterclaim, right of set-off or other right over or in respect of the Subordinated Debt Rights.

We are aware that you are relying on this letter in connection with your rights under the Assignment (as defined in the Notice).

This letter is governed by English law.

Yours faithfully,

.....

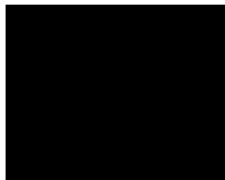
for and on behalf of *[borrower of the subordinated debt]*

copy: *[Assignor]*

**EXECUTION PAGE**

**Assignor**

Executed as a deed by )  
LHIF HOLDINGS (2) LIMITED acting by a )  
director in the presence of: )



James Aumonier

Signature of witness: .....



Name of witness: .....

CATHERINE MOUNTAIN

Address .....

33 Wigmore Street  
London  
W1U 1QX

**The Security Agent**

SIGNED by )  
\_\_\_\_\_)  
for and on behalf of )  
Lloyds Bank PLC )

EXECUTION PAGE

Assignor

Executed as a deed by )  
LHIF HOLDINGS (2) LIMITED acting by a )  
director in the presence of: )

Signature of witness: .....

Name of witness: .....

Address .....  
.....  
.....

The Security Agent

SIGNED by )  
DANIEL POWDITCH )  
for and on behalf of )  
Lloyds Bank PLC )

