



Registration of a Charge

Company Name: **MICHELS & TAYLOR MIDCO LIMITED**

Company Number: **13735127**



Received for filing in Electronic Format on the: **22/11/2022**

XBHAZ2TC

Details of Charge

Date of creation: **17/11/2022**

Charge code: **1373 5127 0001**

Persons entitled: **SITUS ASSET MANAGEMENT LIMITED**

Brief description: **N/A**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **TAYLOR WESSING LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13735127

Charge code: 1373 5127 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th November 2022 and created by MICHELS & TAYLOR MIDCO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd November 2022 .

Given at Companies House, Cardiff on 23rd November 2022

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**

C

EXECUTION VERSION

DATED 17 NOVEMBER 2022

MICHELS & TAYLOR MIDCO LIMITED
as Chargor

and

SITUS ASSET MANAGEMENT LIMITED
as Security Agent

SHARE CHARGE

5 New Street Square | London EC4A 3TW
Tel +44 (0)20 7300 7000
Fax +44 (0)20 7300 7100
DX 41 London
www.taylorwessing.com

TaylorWessing

Index

Clause No.	Page No.
1. Definitions and Interpretation	1
2. Undertaking to Pay	3
3. Security	3
4. Investments	3
5. Representations	5
6. Negative Undertakings	8
7. PSC Register	8
8. General undertakings	8
9. Enforcement of Security	9
10. Powers of Receiver and Security Agent	10
11. Exclusion of Liability	11
12. Reimbursement and Indemnity	12
13. Application of Proceeds	12
14. Protection of Persons Dealing with Security Agent Receiver or Delegate	14
15. Notice of Subsequent Charge	14
16. Further Assurance	14
17. Power of Attorney by Chargor	15
18. Protective Provisions	15
19. Discharge of Security	17
20. Redemption	17
21. Default Interest	17
22. Notices	18
23. Changes to the parties	19
24. Set-off	19
25. Miscellaneous	20
26. Law	21
27. Jurisdiction	21
schedule 1	22

EXECUTION VERSION

THIS DEED is made on 17 NOVEMBER 2022

BETWEEN

- (1) **MICHELS & TAYLOR MIDCO LIMITED** a company incorporated in England and Wales with company no 13735127 and whose registered office is at Suite 3, Caspian House, The Waterfront, Elstree Road, Elstree WD6 3BS (the "**Chargor**"); and
- (2) **SITUS ASSET MANAGEMENT LIMITED** as security trustee for the Secured Parties (the "**Security Agent**").

AGREED TERMS**1. Definitions and Interpretation****1.1 Definitions**

In this deed:

"**Agreement**" means a loan agreement originally dated 11 June 2019 made between, amongst others, Lethendy Bolton Limited, Lethendy Elstree Limited and Lethendy Stoke-on-Trent Limited as borrowers and the Security Agent as amended on 21 October 2019, 20 December 2019, 29 January 2020, 2 March 2020, amended and restated on 6 August 2020, amended on 11 September 2020, as further amended and restated on 23 December 2021, amended on 28 January 2022 and further amended and restated on or around the date of this deed;

"**Charged Property**" means the assets mortgaged by the Chargor under this deed;

"**Dividends**" means all dividends, interest and other money payable in respect of the Investments;

"**Finance Documents**" has the meaning given to that term in the Agreement;

"**Finance Parties**" has the meaning given to that term in the Agreement;

"**Financial Collateral Regulations**" means the Financial Collateral Arrangements (No 2) Regulations 2003 SI 2003/3226;

"**Insolvency Act**" means the Insolvency Act 1986;

"**Investments**" means:

- (a) the Shares; and
- (b) all other stocks, shares and other securities of each Issuer now or at any time after the date of the deed owned by the Chargor including any offered by way of redemption, bonus, preference or option or otherwise in respect of any of the shares referred to in (a) above,

and all rights and benefits in respect of the assets referred to in (a) and (b) above other than the right to receive Dividends;

"**Issuer**" means each of those entities listed at schedule 1 to this deed;

"Legal Reservations" has the meaning given to that term in the Agreement;

"LPA" means the Law of Property Act 1925;

"Material Adverse Effect" has the meaning given to that term in the Agreement;

"PSC Enforcement Notice" means a warning notice or restriction notice (each as defined in Schedule 1B paragraph 1 (2) of the Companies Act 2006;

"PSC Information Request" means a notice issued under s790D (2) or (5) of the Companies Act 2006;

"Secured Liabilities" means:

- (a) all obligations of each Obligor owed or expressed to be owed to the Secured Parties (or any of them) under or in connection with the Finance Documents whether owed jointly or severally, as principal, guarantor or surety or in any other capacity; and
- (b) in the case of any Transaction Obligor other than the Chargor any obligation of another Obligor referred to in (a) which is or becomes Unenforceable and any cost, loss or liability which any Secured Party incurs as a result of any such Transaction Obligor not paying any amount expressed to be payable by it under any Finance Document on the date when it is expressed to be due;

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

"Shares" means all of the shares in the share capital of each Issuer;

"Tax" has the meaning given to that term in the Agreement;

"Tax Deduction" has the meaning given to that term in clause 12.1 of the Agreement;

"Transaction Obligor" has the meaning given to that term in the Agreement; and

"Unenforceable" means void, voidable, invalid, unenforceable or otherwise irrecoverable (whether or not known to any Secured Party or the Chargor) and **"Unenforceability"** will be construed accordingly.

1.2 *Interpretation*

- (a) This deed is a Finance Document.
- (b) The provisions of clause 1 (Definitions and Interpretation) of the Facility Agreement shall be deemed to be incorporated into this deed.
- (c) In this deed, unless a contrary indication appears:
 - (i) **"obligations"** means obligations and liabilities;
 - (ii) references to obligations and liabilities include the whole or any part of them, present and future, actual and contingent;
 - (iii) any reference to **"powers"** includes rights, powers, discretions and authorities; and

- (iv) any reference to any asset includes any proceeds of sale of any such asset.

1.3 *Construction of charging clause*

Each of the security interests created by clause 3 (Security) shall be construed as separate and distinct interests over the relevant assets so that the re-characterisation for any reason of any security interest over any one asset shall not affect the nature of the security interest created over any other asset.

2. Undertaking to Pay

The Chargor undertakes with the Agent to pay the Secured Liabilities to the Agent when due.

3. Security

3.1 As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee assigns to the Security Agent by way of equitable mortgage all its present and future rights and interest in:

- (a) the Investments; and
- (b) all Dividends.

3.2 Notwithstanding any other term of this deed, the Security Agent shall not have any recourse under this deed to any asset of the Chargor other than the Charged Property.

4. Investments

4.1 *Deposit of certificates*

The Chargor shall deposit with the Security Agent:

- (a) on or before the date of this deed, the certificates or other documents of title to each Investment owned by the Chargor on such date;
- (b) on the date of the acquisition of any Investment acquired by the Chargor after the date of this deed or on the withdrawal of any Investment from any clearance system, the certificates or other documents of title to each such Investment;
- (c) together with the certificates or other documents referred to in paragraphs (a) and (b) above, duly executed undated blank transfers in respect of each such Investment and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered.

4.2 *Payment of money due*

The Chargor shall promptly pay all money which may from time to time be due in respect of any Investment forming part of the Charged Property.

4.3 *Nominees*

If any Investment is registered in the name of a nominee the Chargor shall on demand provide to the Security Agent an equitable mortgage over such Investment or power of attorney or acknowledgement of the rights created by this deed over such Investment in favour of the Security Agent in such terms as the Security Agent may require duly executed by or on behalf of such nominee.

4.4 *Completion of transfers*

The Security Agent may at any time after this deed has become enforceable complete any transfers of any Investment delivered to it under clause 4.1(c) in favour of itself or any nominee for it as transferee and may present the same for registration.

4.5 *Dividends and voting rights before enforceability*

The Chargor shall be entitled to exercise each of the following rights until this deed becomes enforceable and the Security Agent gives notice of its intention to exercise any of such rights itself:

- (a) to receive all Dividends in respect of any Investment free from the security created by this deed; and
- (b) to exercise all voting rights attached to any Investment and if the Security Agent is registered as the holder of any such Investment it will exercise all voting rights attached to it as directed by the Chargor.

4.6 *Dividends and voting rights after enforceability*

The Security Agent shall be entitled to exercise each of the following rights at any time after this deed becomes enforceable and the Security Agent gives the Chargor notice of its intention to exercise such right itself:

- (a) to receive all Dividends and apply them in reduction of the Secured Liabilities whether or not any Investment is registered in the name of the Security Agent or any nominee for the Security Agent or in the name of the Chargor or any nominee for the Chargor;
- (b) at its discretion to exercise or procure the exercise of all voting rights attached to any Investment registered in the name of the Security Agent or any nominee for the Security Agent for the purpose only of preserving the value of such Investment or realising the security over such Investment created by this deed; and
- (c) to require the Chargor to exercise any voting rights attached to any Investment registered in the name of the Chargor or any nominee for the Chargor as directed by the Security Agent for the purpose mentioned in paragraph (b) above.

4.7 *Security Agent may give up voting rights*

The Security Agent may at any time by giving notice to the Chargor give up any right it may have under clause 4.6(b) or clause 4.6(c) in relation to any of the Investments specified in such notice (the "**Notified Shares**") whereupon the Chargor may exercise all voting rights in relation to the Notified Shares subject to the terms of the Finance Documents.

4.8 *Dematerialisation*

The Chargor must promptly take all action required for the re-materialisation of any Investment held in dematerialised form in a clearance system.

4.9 *Failure to comply*

If the Chargor fails to comply with any of its obligations under this deed the Security Agent may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

5. Representations

The Chargor makes the representations and warranties set out in this clause 5 to each Finance Party on the date of this deed.

5.1 *Shares*

The Shares are fully paid and are not subject to any option to purchase or similar rights.

5.2 *Issued share capital*

The Shares represent the whole of the issued share capital of each Issuer and no person has any option, warrant or other similar right to subscribe for any shares of an Issuer.

5.3 *Ownership of the Shares*

The Chargor is the sole legal and beneficial owner of the Shares.

5.4 *Constitutional documents*

The constitutional documents of each Issuer do not:

- (a) restrict or inhibit any transfer of the Shares on creation or enforcement of the Security constituted by this deed; or
- (b) contain any rights of pre-emption.

5.5 *Persons of significant control (PSC) regime*

- (a) No PSC Information Request in respect of each Issuer has been issued to the Chargor other than any PSC Information Request with which the Chargor has complied or in respect of which the Chargor has provided a valid reason for non-compliance; and
- (a) No PSC Enforcement Notice has been issued in respect of the shares in each Issuer.

5.6 *Status*

- (a) It is a limited liability corporation, duly registered and validly existing under the law of its Original Jurisdiction.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

5.7 *Binding obligations*

The obligations expressed to be assumed by it in this deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

5.8 *Non-conflict with other obligations*

The entry into and performance by it of, and the transactions contemplated by, this deed and the granting of Security pursuant to this deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (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.

5.9 *Power and authority*

- (a) 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 deed and the transactions contemplated thereby.
- (b) No limit on its powers will be exceeded as a result of the grant of security contemplated by this deed.

5.10 *Validity and admissibility in evidence*

- (a) All Authorisations required:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed; and
 - (ii) to make this deed admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect.

5.11 *Governing law and enforcement*

- (a) Subject to the Legal Reservations, the choice of the governing law of this deed will be recognised and enforced in its Relevant Jurisdictions.
- (b) Subject to the Legal Reservations, any judgment obtained in relation to this deed in the jurisdiction of the governing law thereof will be recognised and enforced in its Relevant Jurisdictions.

5.12 *Deduction of Tax*

It is not required to make any Tax Deduction from any payment it may make under this deed.

5.13 *No filing or stamp taxes*

- (a) Under the laws of its Relevant Jurisdiction it is not necessary that this deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this deed or the transactions contemplated by this deed except registration of particulars of this deed at the Companies Registration Office under the Companies Act 2006 and payment of associated fees, which registrations, filings, taxes and fees will be made and paid promptly after the date of this deed.
- (b) Any disclosure required to be made by it to any relevant taxing authority in relation to stamp duty land tax payable on any transactions contemplated by or being financed by this deed has been made.

5.14 *No default*

- (a) No Event of Default and, as at the date of this deed and each Utilisation Date, no Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, or the performance of, or any transaction contemplated by, this deed.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or a termination event (however described) under any other agreement or instrument which is binding on the Chargor or any of its Subsidiaries or to which any of the assets of the Chargor or any of its Subsidiaries are subject which has or is reasonably likely to have a Material Adverse Effect.

5.15 *Information*

- (a) All information supplied by it or on its behalf to any Finance Party in connection with this deed was true and accurate as at the date it was provided or as at any date at which it was stated to be given.
- (b) Any financial projections contained in the information referred to in paragraph (a) above have been prepared as at their date on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) It has not omitted to supply any information which, if disclosed, would make the information referred to in paragraph (a) above untrue or misleading in any respect.
- (d) As at the date of this deed, nothing has occurred since the date of the information referred to in paragraph (a) above which, if disclosed, would make that information untrue or misleading in any material respect.

5.16 *No proceedings pending or threatened*

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against the Chargor.

5.17 *Ranking of Security*

The security conferred by this deed constitutes a first priority security interest of the type described, over the Charged Property and the Charged Property is not subject to any prior or *pari passu* Security.

5.18 *Avoidance of Security*

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

5.19 *Repetition*

The representations and warranties in this clause are deemed to be made by the Chargor by reference to the facts and circumstances then existing on each day on which any Repeating Representations are deemed to be made under the Agreement.

6. Negative Undertakings

6.1 *Negative pledge*

The Chargor shall not create or permit to subsist any Security over any of the Charged Property.

6.2 *Disposals*

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any of the Charged Property.

7. PSC Register

7.1 *Notices requesting information*

The Chargor shall immediately notify the Security Agent if any PSC Information Request in respect of each Issuer is issued to the Chargor and shall:

- (a) comply with each such PSC Information Request or provide a valid reason for non-compliance;
- (b) provide the Security Agent with a copy of each such PSC Information Request.

7.2 *Warning notices*

The Chargor shall immediately notify the Security Agent if any PSC Enforcement Notice is issued to the Chargor in respect of the shares in each Issuer and shall provide the Security Agent with a copy of each such PSC Enforcement Notice.

7.3 *Accuracy*

The Chargor shall ensure that all information supplied to the Security Agent by it is at the time of supply complete and accurate in all material respects.

8. General undertakings

8.1 Authorisations

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Agent of,

any Authorisation required under any law or regulation of its Relevant Jurisdictions to:

- (i) enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability or admissibility in evidence in the Relevant Jurisdictions of this deed;
- (ii) enable it to own its assets and carry on its business as it is being conducted.

8.2 Compliance with laws

The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under this deed.

8.3 Consents

The Chargor shall ensure that all consents and all documents, registrations, licences and other matters and things required by the Security Agent to perfect this deed are produced executed obtained or made as required by the Security Agent in accordance with this deed.

8.4 Failure to comply

If the Chargor fails to comply with any of its obligations under this deed the Security Agent may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

9. Enforcement of Security

9.1 Security Agent's powers

On the occurrence of an Event of Default which is continuing or if the Chargor requests that the Security Agent exercises any of its powers under this clause 9.1, this deed shall become enforceable and the Security Agent may immediately or at any time thereafter:

- (a) exercise the power of sale and all other powers conferred by s. 101 of the LPA as varied or extended by this deed;
- (b) subject to s.72A of the Insolvency Act, appoint one or more persons as a Receiver of any Charged Property;
- (c) exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act;

- (d) secure and perfect its title to all or any part of the Charged Property and/or transfer any asset into the name of its nominee;
- (e) to the extent that this deed constitutes a "security financial collateral arrangement" as defined in the Financial Collateral Regulations, appropriate any Charged Property which constitutes "financial collateral" as defined in the Financial Collateral Regulations in or towards satisfaction of the Secured Liabilities and the Security Agent shall value such Charged Property by reference to an independent valuation or other procedure selected by the Security Agent acting reasonably.

9.2 *Powers under the LPA*

- (a) S.103 of the LPA will not apply to this deed.
- (b) The power of sale and all other powers conferred by s.101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor.

9.3 *Receivers*

- (a) The Security Agent may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Agent thinks fit and the maximum rate specified in s.109(6) of the LPA shall not apply.
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Security Agent.
- (c) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally.
- (d) The Security Agent may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not the Security Agent appoints any other person as Receiver in his place.

10. **Powers of Receiver and Security Agent**

10.1 *Statutory powers*

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated into this deed provided that references in that Schedule to the "property of the Company" will be deemed to be references to the Charged Property for the purposes of this deed.

10.2 *Additional powers*

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power:

- (a) which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or

exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property; and

- (b) which such Receiver in his absolute discretion considers necessary for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers.

10.3 *Consideration*

The receipt of the Security Agent or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property the Security Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

10.4 *Prior encumbrances*

At any time after the security given by this deed has become enforceable, the Security Agent may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor. Any money paid by the Security Agent in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities.

10.5 *Possession*

If the Security Agent, any Receiver or any Delegate takes possession of any Charged Property it may go out of possession at any time.

11. **Exclusion of Liability**

11.1 *No obligation to recover*

None of the Security Agent, any Receiver or any Delegate is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Property whether or not it is in possession of the relevant Charged Property.

11.2 *Liability as mortgagee in possession*

If the Security Agent, any Receiver or any Delegate takes possession of any Charged Property, it will not be liable to account to the Chargor for anything except actual receipts or be liable to the Chargor for any loss arising from any realisation of any Charged Property or for any default or omission for which a receiver or mortgagee in possession would be liable.

11.3 *Losses on enforcement*

No Secured Party will be liable to the Chargor for any loss or damage arising from:

- (a) any sale of any Charged Property;
- (b) any act, default or omission of any Secured Party in relation to any Charged Property; or

- (c) any exercise or non-exercise by any Secured Party of any power conferred upon it in relation to any Charged Property under this deed or by the LPA,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of such Secured Party.

12. Reimbursement and Indemnity

12.1 *Indemnity to the Security Agent*

The Chargor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them:

- (a) as a result of:
 - (i) the taking, holding, protection or enforcement of the Security constituted by this deed;
 - (ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by this deed or by law; or
 - (iii) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this deed; or
- (b) which otherwise relates to any of the Charged Property or the performance of the terms of this deed (otherwise than as a result of its fraud, gross negligence or wilful misconduct).

12.2 *Priority of Indemnity*

The Security Agent and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in clause 12.1 (Indemnity to the Security Agent) and shall have a lien on the Security constituted by this deed and the proceeds of enforcement of the Security constituted by this deed for all moneys payable to it.

12.3 *Security Agent's management time*

Any amount payable under this deed to the Security Agent by the Chargor by way of indemnity or reimbursement in respect of any cost, loss or liability incurred by the Security Agent shall include the cost of utilising the Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Chargor.

13. Application of Proceeds

13.1 *Order of application*

Subject to clause 13.2 (Prospective liabilities), and to claims having priority to the Security created by this deed and by way of variation to the provisions of the LPA, all amounts from time to time received or recovered by the Security Agent in connection with the realisation or enforcement of all or any part of the Security constituted by this deed (for the purposes of this clause the "Recoveries") shall be held by the Security Agent on trust as part of the Security Property to apply them at any time as the

Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this clause), in the following order:

- (a) in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of this deed and of all outgoings properly payable by any Secured Party;
- (b) in payment of remuneration to any Receiver;
- (c) for application in accordance with clause 33.5 (Partial Payments) of the Agreement; and
- (d) the balance (if any) will be applied as required by law.

13.2 *Prospective liabilities*

The Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent (or at its option the name of any other Finance Party any of whose Secured Liabilities are at that time still contingent) with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under clause 13.1 (Order of application) in respect of:

- (a) any sum owing to the Security Agent, any Receiver or any Delegate; and
- (b) any part of the Secured Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

13.3 *Investment of proceeds*

Prior to the application of the proceeds of the Recoveries in accordance with clause 13.1 (Order of application) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent's discretion in accordance with clause 13.1 (Order of application).

13.4 *Currency Conversion*

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to the currency in which the Secured Liabilities are denominated, at a market rate of exchange.
- (b) The Secured Liabilities shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

13.5 *Permitted Deductions*

The Security Agent shall be entitled, in its discretion:

- (a) to set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this deed; and

- (b) to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under the Agreement).

14. Protection of Persons Dealing with Security Agent Receiver or Delegate

No person dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable;
- (b) otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers; or
- (c) whether any Secured Liabilities remain owing.

15. Notice of Subsequent Charge

If any Finance Party receives notice of any Security or other interest affecting any Charged Property:

- (a) it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account;
- (b) if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments of the Secured Liabilities will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

16. Further Assurance

When required by the Security Agent or any Receiver the Chargor shall, at its own cost:

- (a) execute a transfer of any Investments into the name of the Security Agent or a nominee of the Security Agent or a purchaser from the Security Agent or a nominee of such purchaser;
- (b) execute any documents or do any other thing which the Security Agent or any Receiver may require for perfecting or protecting any Security created by this deed or in connection with the exercise of any powers given to the Security Agent or any Receiver under this deed; and
- (c) convey, transfer, assign or otherwise deal with any Charged Property in such manner as the Security Agent or any Receiver may require in connection with any enforcement of any Security created by this deed.

17. Power of Attorney by Chargor

The Chargor irrevocably and by way of security appoints each of the Security Agent, any person selected by the Security Agent and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which:

- (a) the Chargor is entitled to execute or do in relation to the Charged Property including:
 - (i) the exercise of voting rights in respect of the Investments (but in the case of the Security Agent only to the extent that the Security Agent is entitled to exercise such voting rights under clauses 4.6(b) and 4.6(c));
 - (ii) executing or completing any transfer in respect of the Investments;
 - (iii) giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property; or
- (b) the Chargor is obliged to execute or do under this deed.

18. Protective Provisions

18.1 *Waiver of defences*

The obligations of the Chargor under this deed and the security constituted by this deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of such obligations or security including (whether or not known to it or any Secured Party):

- (a) any time, waiver or consent granted to, or composition with, any other Transaction Obligor or other person;
- (b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any Transaction Obligor;
- (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 property of, any other Transaction 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 any other Transaction Obligor or any other person;
- (e) any amalgamation, merger or reconstruction of any Secured Party with any other person or any sale or transfer of the whole or any part of the assets of any Secured Party to any other person;
- (f) the existence of any claim, set-off or other rights which any other Transaction Obligor may have at any time against any Secured Party, whether in connection with the Finance Documents or otherwise;
- (g) any novation, amendment (however fundamental) or replacement of a Finance Document or any other document or security;

- (h) any obligation of any person under any Finance Document or any other document or security being Unenforceable; or
- (i) any insolvency or similar proceedings.

18.2 *Chargor intent*

Without prejudice to the generality of clause 18.1 (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 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: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making available acceptance credit facilities, note purchase facilities, guarantee, stand-by or documentary credit issuance facilities; 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; any Hedging Agreement entered into by the Borrower with the Hedge Counterparty in connection with any such facility; and any fees, costs and/or expenses associated with any of the foregoing.

18.3 *Immediate recourse*

The Chargor waives any right it may have of first requiring any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

18.4 *Appropriations*

Until the Secured Liabilities have been irrevocably paid in full, the Security Agent may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Agent in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any money received under this deed.

18.5 *Deferral of Chargor's rights*

Until the Secured Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this deed:

- (a) to be indemnified by the any other Transaction Obligor;
- (b) to claim any contribution from any other Transaction Obligor or any other person in respect of any obligations of that person 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 the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

- (d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given security under this deed;
- (e) to exercise any right of set-off against any Transaction Obligor; and/or
- (f) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

18.6 Turnover

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in clause 18.5 (Deferral of Chargor's rights) it shall hold that benefit, payment or distribution to the extent necessary to enable the Secured Liabilities to be repaid in full on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application as provided in clause 12 (Reimbursement and Indemnity).

19. Discharge of Security

19.1 Discharge conditional

Any discharge of the Chargor by the Security Agent in reliance on a payment or security received by the Security Agent will cease to be effective if that payment or security is avoided, reduced or invalidated for any reason and the Security Agent will be entitled to recover from the Chargor on demand the amount of the Secured Liabilities discharged by such payment or security.

19.2 Retention of security

Following any discharge of the Chargor made by the Security Agent in reliance on a payment or security the Security Agent may retain the security constituted by this deed (and all documents of title or other documents necessary to protect such Security) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Agent may retain the security constituted by this deed for as long as it thinks fit.

20. Redemption

If the Security Agent determines in accordance with the Agreement that all of the Secured Liabilities have been fully and finally discharged and none of the Secured Parties 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 the Security Agent shall release:

- (a) without recourse or warranty, all of the Security constituted by this deed; and
- (b) the rights of the Security Agent under this deed.

21. Default Interest

Any sum payable by the Chargor under this deed will bear interest from the date on which it is due or if payable on demand from the date of demand until payment (both

before and after judgment) at the Default Rate as calculated and compounded from time to time in accordance with the Agreement.

22. Notices

22.1 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.

22.2 Addresses

The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Chargor and the Security Agent for any communication or document to be made or delivered under or in connection with this deed is:

(a) in the case of the Chargor:

Address: Suite 3 Caspian House, Elstree Road, Elstree, England WD6 3BS

Fax number: N/A

For the attention of: Ian Noble

Email: Ian.Noble@michelsandtaylor.com

(b) in the case of the Security Agent:

Address: 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB

Fax number: +44 (0) 20 7220 1899

For the attention of: Head of Servicing

Email: samservicing@situs.com

or any substitute address, email address, fax number or department or officer as the party may notify to the other by not less than five Business Days' notice. In the case of the Chargor, the address of its registered office or of any place where it carries on business shall also be addresses of the Chargor for the purpose of this clause.

22.3 Delivery

(a) Any communication or document made or delivered by the Security Agent on the Chargor under or in connection with this deed will be effective:

- (i) if left at an address referred to in this clause, when so left;
- (ii) if by way of email, when sent to the relevant email address; or
- (iii) if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

- (iv) if transmitted by fax to a fax number referred to in this clause, when the sending fax machine produces a print-out which confirms that transmission has taken place.
- (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 specified above (or any substitute department or officer as the Security Agent shall specify for this purpose).

22.4 Notification of address and fax number

Promptly upon receipt of notification of an address, email, and fax number or change of address, email or fax number pursuant to clause 22.2 (Addresses) or changing its own address, email or fax number, the Security Agent shall notify the other parties.

22.5 English language

Any notice given under or in connection with this deed must be in English. All other documents provided under or in connection with this deed 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.

23. Changes to the parties

23.1 Agent

The Security Agent may assign or transfer the rights and interests of the Security Agent under or in connection with this deed to any successor to the Security Agent.

23.2 Chargor

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

23.3 Disclosure

Any Finance Party may disclose any information about the Chargor to any person connected to or associated with it, and to any person to whom it proposes to assign or transfer (or has assigned or transferred) any of its rights under any Finance Document.

24. Tax Gross-up

24.1 The Chargor shall make all payments to be made by it under this deed without any deduction or withholding for or on account of Tax (a "**Tax Deduction**") unless a Tax Deduction is required by law.

24.2 The Chargor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Security Agent accordingly.

- 24.3 If a Tax Deduction is required by law to be made by the Chargor, the amount of the payment due from the Chargor shall be increased to any amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- 24.4 If the Chargor is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 24.5 Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Chargor shall deliver to the Agent evidence satisfactory to the Security Agent that the Tax Deduction has been made or (as applicable) any appropriate payment has been paid to the relevant taxing authority.

25. Set-off

The Security Agent may set off any obligation whether or not matured due from the Chargor under this deed against any obligation whether or not matured 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.

26. Miscellaneous

26.1 Trust

The Security Agent holds the benefit of this deed as trustee for the Secured Parties on the terms set out in the Agreement.

26.2 Third Party Rights

- (a) Unless expressly provided to the contrary, a person who is not a party to this deed has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this deed.
- (b) Notwithstanding any term of this deed, the consent of any person other than the Chargor and the Security Agent is not required to rescind or vary this deed at any time.
- (c) A Secured Party may, subject to this clause 26.2 and the Third Parties Act, rely on any provision of this deed which expressly confers rights on it.

26.3 Continuing Security

This deed is a continuing security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of the Secured Liabilities.

26.4 Other Security

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Security Agent or any other person of any other security at any time held by the Security Agent.

26.5 Consolidation

The restrictions on the right of consolidating mortgage securities contained in s. 93 of the LPA will not apply to this deed.

27. Law

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by English law.

28. Jurisdiction

28.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed and a dispute regarding a non-contractual obligation referred to in clause 27 (Law)) (a "**Dispute**").
- (b) The Security Agent and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes. The Chargor will not argue to the contrary.
- (c) Notwithstanding paragraph (a) and (b), the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

This deed has been executed and delivered as a deed by the Chargor and signed on behalf of the Security Agent on the date shown at the beginning of this deed

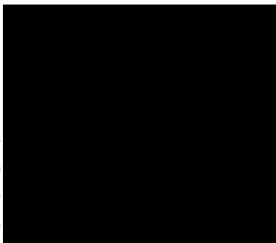
SCHEDULE 1

The Issuers

Name of Issuer	Registration number	Number of Shares	Class of Shares	Nominal Value of each Share
Michels & Taylor Op-Co B Limited	13735070	100	Ordinary	GBP 1
Michels & Taylor Op-Co E Limited	13735091	100	Ordinary	GBP 1
Michels & Taylor Op-Co S Limited	13735146	100	Ordinary	GBP 1

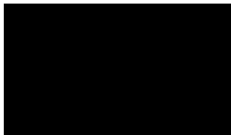
CHARGOR

EXECUTED and delivered as a deed)
by MICHELS & TAYLOR MIDCO LIMITED acting)
by TAN WEE, a director, in the)
presence of:)



Director

Signature of witness



Name of witness

... LISA RICHARDS ...

Address of witness



Occupation of witness

... P.A. ...

SECURITY AGENT

SIGNED for and on behalf of)
SITUS ASSET MANAGEMENT LIMITED)

4

CHARGOR

EXECUTED and delivered as a deed)
by **MICHELS & TAYLOR MIDCO LIMITED** acting)
by _____ a director, in the)
presence of:)

Director

Signature of witness

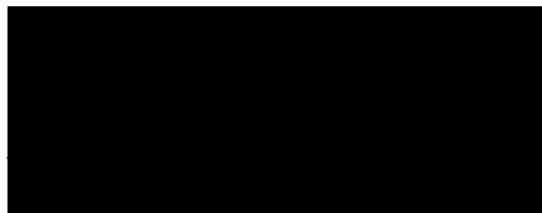
Name of witness

Address of witness

Occupation of witness

SECURITY AGENT

SIGNED for and on behalf of
SITUS ASSET MANAGEMENT LIMITED



Edward Baker
Vice President