

M

CHWP000

COMPANIES FORM No. 466(Scot)

**Particulars of an instrument of
alteration to a floating charge created
by a company registered in Scotland**

466

*Please do not
write in
this margin*

Pursuant to section 410 and 466 of the Companies Act 1985

*Please complete
legibly, preferably
in black type, or
bold block lettering*

** insert full name
of company*

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

7

SC243330

Name of company

* M-Squared Lasers Limited

Date of creation of the charge (note 1)

13 November 2020

Description of the instrument creating or evidencing the charge or of any ancillary document which has
been altered (note 1)

Bond and Floating Charge

Names of the persons entitled to the charge

Santander UK PLC (For Itself and as Security Agent)

Short particulars of all the property charged

See Paper Apart 1.

Presenter's name address and
reference (if any):

For official use (02/06)

Charges Section

Post room

WEDNESDAY



S9J1YGGR

SCT

02/12/2020

#60

COMPANIES HOUSE

Names, and addresses of the persons who have executed the instrument of alteration (note 2)

See Paper Apart 2.

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write in
this margin*

***Please complete
legibly, preferably
in black type, or
bold block lettering***

Date(s) of execution of the instrument of alteration

Signed 12 and 13 of November 2020 and delivered 13 November 2020.

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

N/A

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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write in
this margin*

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legibly, preferably
in black type, or
bold block lettering*

See Paper Apart 3.

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*



Signed _____ Date 2 December 2020

On behalf of ~~[company]~~ [chargee] ☐

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. ☐ delete as appropriate
For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. The address of the Registrar of Companies is: Companies Registration Office, 139 Fountainbridge, Edinburgh EH3 9FF
DX 235 Edinburgh

This is the Paper Apart referred to in the foregoing Form 466 (Scotland) in respect of M-Squared Lasers Limited (the "Company").

Company number: SC243330

Save as otherwise provided herein, words and expressions defined in (i) the attached Agreement and (ii) the attached Accession Deed have the same meaning when used in this Paper Apart.

"Accession Deed" means the accession deed signed 12 and 13 November 2020 and delivered 13 November 2020 among the Borrower (as Parent), Santander (as Agent and Security Agent), and the Company, Solus Technologies Limited, M Squared Life Limited and M Squared Lasers, Inc. as Acceding Obligors;

"Agreement" means the intercreditor agreement signed 12 and 13 November 2020 and delivered 13 November 2020 among Santander (as, *inter alia*, Senior Lender and Security Agent), the Original Subordinated Secured Creditor, the Original Subordinated Unsecured Creditor, and the Borrower, as acceded to by the Company by the Accession Deed;

"Borrower" means M Squared Technologies Group Limited, a private limited company incorporated in Scotland with company number SC675779 whose registered office is at Venture Building 1 Kelvin Campus, West of Scotland Science Park, Maryhill Road, Glasgow, G20 0SP;

"Finance Documents" means the senior facilities agreement dated 13 November 2020 between Santander and the Borrower, any accession deed, any compliance certificate, any fee letter, any hedging agreement, the Agreement, any transaction security document, any utilisation request and any other document designated as a "Finance Document" by Santander acting as Agent and the Borrower; and

"Santander" means Santander UK plc, a company incorporated under the Companies Act 1985 with company number 02294747 whose registered office at 2 Triton Square, Regent's Place, London, NW1 3AN.

PAPER APART 1

All present and future obligations and liabilities of the Company to the Secured Parties (or any of them) under the Finance Documents, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations under the Finance Documents to indemnify the Secured Parties (or any of them).



PAPER APART 2

The Agreement

Executed as follows;

- 1 For and on behalf of the Borrower (as Company and Original Debtor) by Craig Archibald McIntyre as Director on 12 November 2020;
- 2 For and on behalf of Santander UK plc (as Senior Lender) by Richard Mathison as Authorised Signatory on 12 November 2020;
- 3 For and on behalf of Santander UK plc (as Agent) by Richard Mathison as Authorised Signatory on 12 November 2020;
- 4 For and on behalf of Santander UK plc (as Hedge Counterparty) by Richard Mathison as Authorised Signatory on 12 November 2020;
- 5 For and on behalf of Santander UK plc (as Arranger) by Richard Mathison as Authorised Signatory on 12 November 2020;
- 6 For and on behalf of Santander UK plc (as Security Agent) by Richard Mathison as Authorised Signatory on 12 November 2020;
- 7 For and on behalf of the University Court of the University of St Andrews (as Original Subordinated Unsecured Creditor) by Andrew Darren Goor as Authorised Signatory on 12 November 2020;
- 8 For and on behalf of the Scottish Ministers (as Original Subordinated Secured Creditor) by Eilidh Mactaggart as Authorised Signatory on 13 November 2020.

The Accession Deed

Executed as follows;

- 1 For and on behalf of the Company (as Acceding Obligor) by Stuart Malcolm as Director on 12 November 2020;
- 2 For and on behalf of M Squared Life Limited (as Acceding Obligor) by Stuart Malcolm as Director on 12 November 2020;
- 3 For and on behalf of Solus Technologies Limited (as Acceding Obligor) by Stuart Malcolm as Director on 12 November 2020;

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- 4 For and on behalf of M Squared Lasers, Inc. (as Acceding Obligor) by Stuart Malcolm as Vice President on 12 November 2020;
- 5 For and on behalf of the Borrower (as Parent) by Stuart Malcolm as Director on 13 November 2020;
- 6 For and on behalf of Santander (as Security Agent) by Richard Mathison as Authorised Signatory on 12 November 2020; and
- 7 For and on behalf of Santander (as Agent) by Richard Mathison as Authorised Signatory on 12 November 2020.

PAPER APART 3

Each of the Parties agrees that the Senior Security and the Subordinated Security shall rank and secure the following Liabilities in the following order:

- 1 First, the Senior Security in relation to the Senior Facility Liabilities and the Hedging Liabilities *pari passu* and without any preference between them;
- 2 Second, the Subordinated Security in relation to the Subordinated Secured Liabilities; and
- 3 Third, the Subordinated Unsecured Creditor Guarantees.





FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

**COMPANY NO. 243330
CHARGE CODE SC24 3330 0007**

**I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 13 NOVEMBER 2020 WERE
DELIVERED PURSUANT TO SECTION 466 OF THE COMPANIES
ACT 1985
ON 2 DECEMBER 2020**

**THE INSTRUMENT RELATES TO A CHARGE CREATED ON 13
NOVEMBER 2020**

BY M-SQUARED LASERS LIMITED

**IN FAVOUR OF
SANTANDER UK PLC (FOR ITSELF AND AS SECURITY AGENT)**

GIVEN AT COMPANIES HOUSE, EDINBURGH 4 DECEMBER 2020



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

 **Burness Paul**

Certified true copy of original document, save for the information redacted pursuant to section 859G of the Companies Act 2006, comprising electronically delivered counterpart collated with the pages on which other counterparts have been subscribed by way of electronic signature.



DATED 13 November 2020

SANTANDER UK PLC

as Agent, Senior Lender, Hedge Counterparty, Arranger and Security Agent

THE SCOTTISH MINISTERS

as the Original Subordinated Secured Creditor

THE UNIVERSITY COURT OF THE UNIVERSITY OF ST ANDREWS

as the Original Subordinated Unsecured Creditor

M SQUARED TECHNOLOGIES GROUP LIMITED

as the Company, Original Debtor and Original Intra-Group Lender

and others

INTERCREDITOR AGREEMENT

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THIS AGREEMENT is delivered on 13 November 2020 and made among:

- (1) **SANTANDER UK PLC** as Agent, Senior Lender, Hedge Counterparty, Arranger and Security Agent;
- (2) **THE SCOTTISH MINISTERS** in terms of the Scotland Act 1998, of Victoria Quay, Leith, Edinburgh EH6 6Q (the “**Original Subordinated Secured Creditor**”);
- (3) **THE UNIVERSITY COURT OF THE UNIVERSITY OF ST ANDREWS**, incorporated under the Universities (Scotland) Acts 1858 to 1966 and having its principal office at College Gate, North Street, St Andrews, Fife, KY16 9AJ, (the “**Original Subordinated Unsecured Creditor**”); and
- (4) **M SQUARED TECHNOLOGIES GROUP LIMITED**, incorporated in Scotland with company number SC675779 whose registered office is at Venture Building 1 Kelvin Campus, West of Scotland Science Park, Maryhill Road, Glasgow, G20 0SP (the “**Company**”, the “**Original Debtor**” and the “**Original Intra-Group Lender**”).

SECTION 1 - INTERPRETATION

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“1992 ISDA Master Agreement” means the Master Agreement (Multicurrency - Cross Border) as published by the International Swaps and Derivatives Association, Inc;

“2002 ISDA Master Agreement” means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc;

“Acceleration Event” means the Agent exercising any of its rights under clause 25.20 (Acceleration) of the Senior Facilities Agreement;

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“Agent” means the Agent under and as defined in the Senior Facilities Agreement;

“Appropriation” means the appropriation (or similar process) of the shares in the capital of a member of the Group (other than the Company) by the Security Agent (or any Receiver or Delegate appointed by the Security Agent) which is effected (to the extent permitted under the relevant Senior Security Document and applicable law) by enforcement of the Senior Security;

“Automatic Early Termination” means the termination or close-out of any hedging transaction prior to the maturity of that hedging transaction which is brought about automatically by the terms of the relevant Hedging Agreement and without any party to the relevant Hedging Agreement taking any action to terminate that hedging transaction;

“Borrowing Liabilities” means, in relation to a member of the Group, the liabilities and obligations (not being Guarantee Liabilities) it may have as a principal debtor to a Creditor (other than to a the Agent) or a Debtor in respect of Financial Indebtedness arising under the Debt Documents (whether incurred solely or jointly and including, without limitation, liabilities and obligations as a borrower under the Senior Finance Documents);

“Business Day” has the meaning given to the term **“Business Day”** in the Senior Facilities Agreement;

“Cash Proceeds” means:

- (a) proceeds of the Security Property which are in the form of cash; and
- (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Security Property which are in the form of Non-Cash Consideration.

“Charged Property” means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security;

“Close-Out Netting” means:

- (a) in respect of a Hedging Agreement based on a 1992 ISDA Master Agreement, any step involved in determining the amount payable in respect of an Early Termination Date (as defined in the 1992 ISDA Master Agreement) under section 6(e) (Payments on Early Termination) of the 1992 ISDA Master Agreement before the application of any subsequent Set-off (as defined in the 1992 ISDA Master Agreement);
- (b) in respect of a Hedging Agreement based on a 2002 ISDA Master Agreement, any step involved in determining an Early Termination Amount (as defined in the 2002 ISDA Master Agreement) under section 6(e) (Payments on Early Termination) of the 2002 ISDA Master Agreement; and
- (c) in respect of a Hedging Agreement not based on an ISDA Master Agreement, any step involved on a termination of the hedging transactions under that Hedging Agreement pursuant to any provision of that Hedging Agreement which has a similar effect to either provision referenced in paragraph (a) and paragraph (b) above;

“Common Assurance” means any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, the benefit of which (however conferred) is, to the extent legally possible, given to all the Secured Parties in respect of their Liabilities;

“Common Currency” means sterling;

“Common Currency Amount” means, in relation to an amount, that amount converted (to the extent not already denominated in the Common Currency) into the Common Currency at the Security Agent’s Spot Rate of Exchange on the Business Day prior to the relevant calculation;

“Common Senior Security” means any Senior Security which to the extent legally possible:

- (a) is created in favour of the Security Agent as trustee for the other Secured Parties in respect of their Liabilities; or
- (b) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as trustee for the Secured Parties is created in favour of:

- (i) all the Secured Parties in respect of their Liabilities; or
- (ii) the Security Agent under a parallel debt structure for the benefit of all the Secured Parties,

and which ranks in the order of priority contemplated in Clause 2.2 (Transaction Security);

“Competitive Sales Process” means

- (a) any auction or other competitive sales process conducted with the advice of a Financial Adviser appointed by, or approved by, the Security Agent pursuant to Clause 12.7 (Appointment of Financial Adviser), other than where the Financial Adviser advises the Security Agent that such participation could prejudice that auction or competitive sales process); and
- (b) any enforcement of the Transaction Security carried out by way of auction or other competitive sales process pursuant to requirements of applicable law;

“Consent” means any consent, approval, release or waiver or agreement to any amendment;

“Credit Related Close-Out” means any Permitted Hedge Close-Out which is not a Non-Credit Related Close-Out;

“Creditor Accession Undertaking” means:

- (a) an undertaking substantially in the form set out in part 2 of the Schedule (Form of Creditor Accession Undertaking); or
- (b) a Transfer Certificate or Assignment Agreement (each as defined in the Senior Facilities Agreement) (**provided that** it contains an accession to this Agreement which is substantially in the form set out in part 2 of the Schedule (Form of Creditor Accession Undertaking)).

as the context may require, or

- (c) in the case of an acceding Debtor which is expressed to accede as an Intra-Group Lender in the relevant Debtor Accession Deed, that Debtor Accession Deed;

“Creditors” means the Senior Creditors, the Intra-Group Lenders and the Subordinated Creditors;

“Debt Disposal” means any disposal of any Liabilities or Debtors’ Intra-Group Receivables pursuant to paragraphs (d) or (e) of Clause 12.1 (Facilitation of Distressed Disposals and Appropriation);

"Debt Document" means each of this Agreement, the Hedging Agreements, the Senior Finance Documents, the Subordinated Documents, and any agreement evidencing the terms of any Intra-Group Liabilities or other Subordinated Liabilities and any other document designated as such by the Security Agent and the Company;

"Debtor" means the Original Debtor and any person which becomes a Party as a Debtor in accordance with the terms of Clause 19 (Changes to the Parties);

"Debtor Accession Deed" means:

- (a) a deed substantially in the form set out in part 1 of the Schedule (Form of Debtor Accession Deed); or
- (b) (only in the case of a member of the Group which is acceding as a borrower or guarantor under the Senior Facilities Agreement) an accession document in the form required by the Senior Facilities Agreement (provided that it contains an accession to this Agreement which is substantially in the form set out in part 1 of the Schedule (Form of Debtor Accession Deed));

"Debtor Resignation Request" means a notice substantially in the form set out in part 3 of the Schedule (Form of Debtor Resignation Request);

"Debtors' Intra-Group Receivables" means, in relation to a member of the Group, any liabilities and obligations owed to any Debtor (whether actual or contingent and whether incurred solely or jointly) by that member of the Group;

"Default" means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Debt Documents or any combination of any of the foregoing) be an Event of Default;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

"Discharge Date" means the later to occur of the Senior Discharge Date and the Subordinated Secured Creditor Discharge Date;

"Distress Event" means any of:

- (a) an Acceleration Event; or
- (b) the enforcement of any Senior Security;
- (c) an event of default under any Subordinated Document; or
- (d) the enforcement of any Subordinated Security;

“Distressed Disposal” means a disposal of an asset of a member of the Group which is:

- (a) being effected at the request of the Majority Senior Creditors in circumstances where the Senior Security has become enforceable;
- (b) being effected by enforcement of the Senior Security (including the disposal of any Property of a member of the Group, the shares in which have been subject to an Appropriation); or
- (c) being effected, after the occurrence of a Distress Event, by a Debtor to a person or persons which is, or are, not a member, or members, of the Group;

“Enforcement Action” means:

- (a) in relation to any Liabilities:
 - (i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Facility Creditor or a Subordinated Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents);
 - (ii) the making of any declaration that any Liabilities are payable on demand;
 - (iii) the making of a demand in relation to a Liability that is payable on demand (other than a demand made by an Intra-Group Lender in relation to any Intra-Group Liabilities which are on-demand Liabilities to the extent (A) that the demand is made in the ordinary course of dealings between the relevant Debtor and Intra-Group Lender and (B) that any resulting Payment would be a Permitted Intra-Group Payment);
 - (iv) the making of any demand against any member of the Group in relation to any Guarantee Liabilities of that member of the Group;
 - (v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any Liability that is not expressly restricted by this Agreement or any other Senior Finance Document);
 - (vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities other than the exercise of any such right:
 - (A) as Close-Out Netting by a Hedge Counterparty;

- (B) as Payment Netting by a Hedge Counterparty;
 - (C) as Inter-Hedging Agreement Netting by a Hedge Counterparty;
or
 - (D) which is otherwise expressly permitted under the Senior Facilities Agreement to the extent that the exercise of that right gives effect to a Permitted Payment; and
- (vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;
- (b) the premature termination or close-out of any hedging transaction under any Hedging Agreement (other than pursuant to a Permitted Automatic Early Termination);
 - (c) the taking of any steps to enforce or require the enforcement of any Senior Security (including the crystallisation of any floating charge forming part of the Senior Security);
 - (d) the taking of any steps to enforce or require the enforcement of any Subordinated Security (including the crystallisation of any floating charge forming part of the Subordinated Security);
 - (e) the entering into of any composition, compromise, assignment or arrangement with any member of the Group which owes any Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than any action permitted under Clause 19 (Changes to the Parties), any action which is a Permitted Transaction or any solvent arrangement with a Subordinated Creditor or an Intra-Group Lender which is not prejudicial to the Senior Creditors);
or
 - (f) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any member of the Group which owes any Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction (other than a Permitted Transaction),

except that the following shall not constitute Enforcement Action:

- (i) the taking of any action falling within paragraphs (a)(vii) or (f) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including

the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; and

(ii) a Hedge Counterparty bringing legal proceedings against any person solely for the purpose of:

(A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Debt Document to which it is party;

(B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or

(C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages;

(iii) a demand made by a Subordinated Creditor or an Intra-Group Lender in relation to the Subordinated Liabilities or Intra-Group Liabilities but only where:

(A) any Payment resulting from such demand would constitute a Permitted Subordinated Payment or a Permitted Intra-Group Payment; or

(B) any Subordinated Liability or Intra-Group Liability of a member of the Group is released or discharged in consideration for an issue of shares which constitutes a Permitted Share Issue (as defined in the Senior Facilities Agreement) and resulting from such demand;

“Event of Default” means any event or circumstance specified as such in the Senior Facilities Agreement;

“Exposure” has the meaning given to that term in Clause 17.1 (Equalisation Definitions);

“Fairness Opinion” means, in respect of a Distressed Disposal or a Liabilities Sale, an opinion that the proceeds received or recovered in connection with that Distressed Disposal or Liabilities Sale are fair from a financial point of view taking into account all relevant circumstances, including, without limitation, the method of enforcement or disposal;

“Financial Adviser” means any:

(a) independent investment bank;

- (b) independent accountancy firm; or
- (c) other independent professional services firm which is regularly engaged in providing valuations of businesses or financial assets or, where applicable, advising on competitive sales processes;

“Financial Indebtedness” has the meaning given to that term in the Senior Facilities Agreement;

“Group” means the Company, the Target and each of their respective Subsidiaries for the time being;

“Guarantee Liabilities” means, in relation to a member of the Group, the liabilities and obligations under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Creditor (other than to the Agent) or Debtor as or as a result of its being a guarantor or surety (including, without limitation, liabilities and obligations arising by way of guarantee, indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Senior Finance Documents and the Subordinated Secured Documents);

“Hedge Counterparty” means:

- (a) any entity which is named on the signing pages as a Hedge Counterparty; and
- (b) any entity which becomes a Party as a Hedge Counterparty pursuant to Clause 19.9 (Creditor Accession Undertaking).

which, in each case, is or has become party to the Senior Facilities Agreement as a Hedge Counterparty;

“Hedging Agreement” means any agreement entered into by a Hedge Counterparty and defined as such in the Senior Facilities Agreement;

“Hedging Force Majeure” means:

- (a) in relation to a Hedging Agreement which is based on the 1992 ISDA Master Agreement:
 - (i) an Illegality or Tax Event or Tax Event Upon Merger (each as defined in the 1992 ISDA Master Agreement); or
 - (ii) an event similar in meaning and effect to a **“Force Majeure Event”** (as referred to in paragraph (b) below);

- (b) in relation to a Hedging Agreement which is based on the 2002 ISDA Master Agreement, an Illegality or Tax Event, Tax Event Upon Merger or a Force Majeure Event (each as defined in the 2002 ISDA Master Agreement); or
- (c) in relation to a Hedging Agreement which is not based on an ISDA Master Agreement, any event similar in meaning and effect to an event described in paragraphs (a) or (b) above;

“Hedging Liabilities” means the Liabilities owed by any Debtor to the Hedge Counterparties under or in connection with the Hedging Agreements;

“Holding Company” has the meaning given to the term **“Holding Company”** in the Senior Facilities Agreement;

“Insolvency Event” means, in relation to any member of the Group:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that member of the Group, a moratorium is declared in relation to any indebtedness of that member of the Group or an administrator is appointed to that member of the Group;
- (b) any composition, compromise, assignment or arrangement is made with any of its creditors (excluding any Senior Creditor);
- (c) *the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that member of the Group or any of its assets; or*
- (d) any analogous procedure or step is taken in any jurisdiction.

other than, in each case, a Permitted Transaction or an action or step which is expressly permitted under the Senior Facilities Agreement;

“Intercreditor Amendment” means any amendment or waiver which is subject to Clause 25 (Consents, Amendments and Override);

“Interest Rate Hedge Excess” means the amount by which the Total Interest Rate Hedging exceeds the Term Outstandings;

“Interest Rate Hedging” means, in relation to a Hedge Counterparty, at any time, the aggregate of the notional amounts of any interest rate hedging transactions which are, at that time, in effect under a Hedging Agreement to which that Hedge Counterparty and a Debtor are party;

“Interest Rate Hedging Proportion” means, in relation to a Hedge Counterparty and that Hedge Counterparty’s Interest Rate Hedging, the proportion (expressed as a percentage) borne by that Hedge Counterparty’s Interest Rate Hedging to the Total Interest Rate Hedging;

“Inter-Hedging Agreement Netting” means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Hedge Counterparty against liabilities owed to a Debtor by that Hedge Counterparty under a Hedging Agreement in respect of Hedging Liabilities owed to that Hedge Counterparty by that Debtor under another Hedging Agreement;

“Intra-Group Lenders” means the Original Intra-Group Lender and each other member of the Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another member of the Group and which becomes a Party as an Intra-Group Lender in accordance with the terms of Clause 19 (Changes to the Parties);

“Intra-Group Lending” means the loans, credit or other financial arrangements made available by any Intra-Group Lender to another member of the Group;

“Intra-Group Liabilities” means the Liabilities owed by any member of the Group to any of the Intra-Group Lenders;

“ISDA Master Agreement” means a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement;

“Liabilities” means all present and future liabilities and obligations at any time of any member of the Group to any Creditor under the Debt Documents or under any other Intra-Group Lending, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by any Debtor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings;

“Liabilities Acquisition” means, in relation to a person and to any Liabilities, a transaction where that person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

the rights in respect of those Liabilities;

“Liabilities Sale” means a Debt Disposal pursuant to paragraph (e) of Clause 12.1 (Facilitation of Distressed Disposals and Appropriation);

“Majority Senior Creditors” means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than 66 2/3 per cent of the total Senior Credit Participations at that time;

“Majority Senior Lenders” means the **“Majority Lenders”** under and as defined in the Senior Facilities Agreement after the application of:

- (a) clause 37.5 (*Excluded Commitments*); and
- (b) clause 37.6 (*Disenfranchisement of Defaulting Lenders*),

of the Senior Facilities Agreement;

“Margin” means the "Margin" under and as defined in the Senior Facilities Agreement;

“Non-Cash Consideration” means consideration in a form other than cash;

“Non-Cash Recoveries” means:

- (a) any proceeds of a Distressed Disposal or a Debt Disposal; or
- (b) any amount distributed to the Security Agent pursuant to Clause 8.1 (*Turnover by the Creditors*),

which are, or is, in the form of Non-Cash Consideration;

“Non-Credit Related Close-Out” means a Permitted Hedge Close-Out described in any of paragraphs (a)(i), (a)(ii), (a)(iii) or (a)(iv) of Clause 4.9 (*Permitted Enforcement: Hedge Counterparties*);

“Non-Distressed Disposal” has the meaning given to that term in Clause 11 (Non-Distressed Disposals);

“Other Liabilities” means, in relation to a member of the Group, any trading and other liabilities and obligations (not being Borrowing Liabilities or Guarantee Liabilities) it may have to a Subordinated Creditor, Intra-Group Lender or Debtor;

“Party” means a party to this Agreement;

“Payment” means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations);

“Payment Netting” means:

- (a) in respect of a Hedging Agreement based on an ISDA Master Agreement, netting under section 2(c) of the relevant ISDA Master Agreement; and
- (b) in respect of a Hedging Agreement not based on an ISDA Master Agreement, netting pursuant to any provision of that Hedging Agreement which has a similar effect to the provision referenced in paragraph (a) above.

“Permitted Automatic Early Termination” means an Automatic Early Termination of a hedging transaction under a Hedging Agreement, the provision of which is permitted under Clause 4.12 (Terms of Hedging Agreements);

“Permitted Hedge Close-Out” means, in relation to a hedging transaction under a Hedging Agreement, a termination or close-out of that hedging transaction which is permitted pursuant to Clause 4.9 (Permitted Enforcement: Hedge Counterparties);

“Permitted Hedge Payments” means the Payments permitted by Clause 4.3 (Permitted Payments: Hedging Liabilities);

“Permitted Intra-Group Payments” means the Payments permitted by Clause 5.2 (Permitted Payments: Intra-Group Liabilities);

“Permitted Payment” means a Permitted Hedge Payment, a Permitted Intra-Group Payment, a Permitted Subordinated Payment or a Permitted Senior Facility Payment;

“Permitted Senior Facility Payments” means the Payments permitted by Clause 3.1 (Payment of Senior Facility Liabilities);

“Permitted Subordinated Payments” means the Payments permitted by Clause 6.2 (Permitted Payments: Subordinated Liabilities);

“Permitted Subordinated Secured Payment” means a Payment made by the Company to the Original Subordinated Secured Creditor at any time on or after the Subordinated Secured Creditor Repayment Date in respect of scheduled payments of interest and principal pursuant to and in accordance with the Subordinated Secured Loan Note Instrument;

“Permitted Subordinated Unsecured Payment” means:

- (a) prior to the Senior Discharge Date, a Payment made by M Squared Life Limited to the Original Subordinated Unsecured Creditor in respect of:
 - (i) scheduled payments of interest pursuant to and in accordance with the terms of the Subordinated Unsecured Loan Note Instruments provided that:
 - (A) no Senior Material Event of Default is continuing at the time of that Payment or would result from that Payment;
 - (B) the amount of all such Payments under the Subordinated Unsecured Loan Note Instrument (2018) does not exceed £93,600 in aggregate in any Financial Year; and
 - (C) the amount of all such Payments under the Subordinated Unsecured Loan Note Instrument (Additional) does not exceed £48,000 in any Financial Year; and
 - (ii) scheduled payments of principal pursuant to and in accordance with the Subordinated Unsecured Loan Note Instruments provided that the Majority Senior Lenders have given their prior written consent;
- (b) after the Senior Discharge Date, a Payment made by M Squared Life Limited to the Original Subordinated Unsecured Creditor in respect of:
 - (i) scheduled payments of interest pursuant to and in accordance with the Subordinated Unsecured Loan Note Instruments; and
 - (ii) scheduled payments of principal pursuant to and in accordance with the Subordinated Unsecured Loan Note Instruments provided that no Subordinated Secured Creditor Event of Default is continuing at the time of that Payment or would result from that Payment;

“Permitted Transaction” has the meaning given to that term in the Senior Facilities Agreement;

“Property” of a member of the Group or of a Debtor means:

- (a) any asset of that member of the Group or of that Debtor;

- (b) any Subsidiary of that member of the Group or of that Debtor; and
- (c) any asset of any such Subsidiary;

“Receiver” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property;

“Recoveries” has the meaning given to that term in Clause 16.1 (Order of Application);

“Relevant Liabilities” means:

- (a) in the case of a Creditor:
 - (i) the Liabilities owed to Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Creditor (as the case may be); and
 - (ii) all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent; and
- (b) in the case of a Debtor, the Liabilities owed to the Creditors together with all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent;

“Report” means any **“Report”** under and as defined in the Senior Facilities Agreement;

“Revolving Facility” has the meaning given to that term in the Senior Facilities Agreement;

“Secured Obligations” means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity;

“Secured Parties” means:

- (a) the Security Agent;
- (b) any Receiver or Delegate appointed by the Security Agent; and
- (c) each of the Senior Creditors from time to time but, in the case of each Senior Creditor, only if it is a Party or has acceded to this Agreement, in the appropriate capacity, pursuant to Clause 19.9 (Creditor Accession Undertaking);

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

“Security Agent’s Spot Rate of Exchange” means, in respect of the conversion of one currency (the **“First Currency”**) into another currency (the **“Second Currency”**):

- (a) the Security Agent’s spot rate of exchange; or
- (b) (if the Security Agent does not have an available spot rate of exchange) any other publicly available spot rate of exchange selected by the Security Agent (acting reasonably),

for the purchase of the Second Currency with the First Currency in the London foreign exchange market at or about 11:00 a.m. (London time) on a particular day, which shall, in either case, be notified by the Security Agent in accordance with paragraph (e) of Clause 18.3 (Duties of the Security Agent);

“Security Property” means any or all of the Senior Security Property and the Subordinated Security Property, as the context admits;

“Senior Acceleration Event” means the Agent exercising any of its rights under clause 25.20 (Acceleration) of the Senior Facilities Agreement;

“Senior Borrower” means a “Borrower” under and as defined in the Senior Facilities Agreement;

“Senior Commitment” means a “Commitment” under and as defined in the Senior Facilities Agreement;

“Senior Credit Participation” means, in relation to a Senior Lender or a Hedge Counterparty the aggregate of:

- (a) its aggregate Senior Commitments, if any;
- (b) in respect of any hedging transaction of that Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of this Agreement, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement); and
- (c) after the Senior Facilities Discharge Date only, in respect of any hedging transaction of that Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, not been terminated or closed out:
 - (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that

Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

- (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement;

“Senior Creditors” means the Senior Facility Creditors and the Hedge Counterparties;

“Senior Deferral” means, at any time, a deferral of any scheduled repayment of the Senior Facility Liabilities in respect of the Term Facility which would have fallen due under the Senior Finance Documents prior to that time but for that deferral, to the extent that, at that time, that scheduled repayment has not been made;

“Senior Deferral Amount” means, in relation to a Senior Deferral, the amount of the scheduled repayment subject to that Senior Deferral;

“Senior Deferral Headroom” means £2,500,000;

“Senior Discharge Date” means the first date on which all Senior Liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Senior Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Senior Finance Documents;

“Senior Distress Event” means any event listed under limb (a) or limb (b) of the defined term “Distress Event”;

“Senior Event of Default” means an Event of Default under the Senior Facilities Agreement;

“Senior Facilities Agreement” means the senior facilities agreement made among the Company, the Senior Facility Creditors and others dated on or about the date of this Agreement;

“Senior Facilities Discharge Date” means the first date on which:

- (a) all Senior Facility Liabilities have been fully and finally discharged to the satisfaction of the Agent, whether or not as the result of an enforcement; and
- (b) the Senior Facility Creditors are under no further obligation to provide financial accommodation to any of the Debtors under any of the Debt Documents;

“Senior Facility Creditors” means each Agent, Arranger and Senior Lender;

“Senior Facility Liabilities” means the Liabilities owed by the Debtors to the Senior Facility Creditors under the Senior Finance Documents;

“Senior Finance Documents” has the meaning given to the term “Finance Documents” in the Senior Facilities Agreement;

“Senior Guarantor” means a **“Guarantor”** under and as defined in the Senior Facilities Agreement;

“Senior Lenders” means each Lender as defined in the Senior Facilities Agreement;

“Senior Liabilities” means the Senior Facility Liabilities and the Hedging Liabilities;

“Senior Material Event of Default” has the meaning given to the term **“Material Event of Default”** in the Senior Facilities Agreement;

“Senior Principal” means at any time, and in relation to the Senior Finance Documents, the then aggregate (without double counting) of the committed financial accommodation available (or potentially available) under those Senior Finance Documents by reference to the application, at that time, of any relevant limitation on the potential amount of that financial accommodation (but without taking account of any repayment or cancellation in relation to the Revolving Facility effected after the date of this Agreement);

“Senior Principal Increase” means in relation to an amendment or waiver of the Senior Finance Documents the extent to which the Senior Principal immediately after that amendment or waiver would (as a result of that amendment or waiver) incrementally exceed the Senior Principal as at the date of this Agreement;

“Senior Security” has the meaning given to the term **“Transaction Security”** in the Senior Facilities Agreement;

“Senior Security Documents” has the meaning given to the term **“Transaction Security Documents”** in the Senior Facilities Agreement;

“Senior Security Property” means:

- (a) the Senior Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Senior Security;
- (b) all obligations expressed to be undertaken by a Debtor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Senior Security together with all representations and warranties expressed to be given by a Debtor in favour of the Security Agent as trustee for the Secured Parties;
- (c) the Security Agent's interest in any trust fund created pursuant to Clause 8 (Turnover of Receipts);
- (d) any other amounts or property, whether rights, entitlements, chooses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Debt Documents to hold as trustee on trust for the Secured Parties;

“Senior Termination Date” means the date by which the Senior Facility is scheduled to have been repaid in full pursuant to the Senior Facilities Agreement (in force as at the date of this Agreement);

“Senior Uncommitted Headroom” means, in relation to a Senior Uncommitted Principal Increase:

- (a) in respect of uncommitted ancillary facilities (including overdraft facilities, credit card facilities and short term loan facilities), up to £500,000 in aggregate; and
- (b) in respect of uncommitted trade support facilities (including UK Export Finance facilities and guarantee or bonding facilities), up to £2,000,000 in aggregate;

“Senior Uncommitted Principal” means at any time, and in relation to the Senior Finance Documents, the then aggregate (without double counting) of the uncommitted financial accommodation available (or potentially available) under those Senior Finance Documents by reference to the application, at that time, of any relevant limitation on the potential amount of that financial accommodation;

“Senior Uncommitted Principal Increase” means in relation to an amendment or waiver of the Senior Finance Documents the extent to which the Senior Uncommitted Principal immediately after that amendment or waiver would (as a result of that amendment or waiver (and after taking account of any repayment or cancellation to be effected at the same time as, or immediately after, that amendment or waiver)), incrementally exceed the Senior Uncommitted Principal as at the date of this Agreement;

“Subordinated Creditors” means the Subordinated Secured Creditors and the Subordinated Unsecured Creditors;

“Subordinated Documents” means, together, the Subordinated Secured Documents, the Subordinated Unsecured Documents and any other document designated as a “Subordinated Document” by the Company, the relevant Subordinated Creditor and the Agent (acting on the instructions of the Majority Senior Lenders);

“Subordinated Liabilities” means all Liabilities owed to the Subordinated Creditors by the Debtors under the Subordinated Documents;

“Subordinated Secured Creditor Acceleration Event” means the Subordinated Secured Creditors exercising any of their rights under Clause 5 of Schedule 2 (Acceleration) to the Subordinated Secured Loan Note Instrument;

“Subordinated Secured Creditor Discharge Date” means the first date on which all Subordinated Secured Liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Subordinated Secured Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Subordinated Secured Documents;

“Subordinated Secured Creditor Event of Default” means an Event of Default under, and as defined in, the Subordinated Secured Loan Note Instrument;

“Subordinated Secured Creditor Repayment Date” means 28 February 2026 being the date on which the first payment is due by the Company to the Subordinated Secured Creditors in accordance with the terms of the Subordinated Secured Loan Note Instrument;

“Subordinated Secured Creditors” means:

- (a) the Original Subordinated Secured Creditor; or
- (b) any other person who has become a Party as a Subordinated Secured Creditor pursuant to Clause 19.9 (Creditor Accession Undertaking);

“Subordinated Secured Documents” means the Subordinated Secured Loan Note Instrument, the Subordinated Secured Loan Notes, the Subordinated Security Documents, and any other document designated as a “Subordinated Secured Document” by the Company, the relevant Subordinated Secured Creditor and the Agent (acting on the instructions of the Majority Senior Lenders);

“Subordinated Secured Liabilities” means all Liabilities owed to the Subordinated Secured Creditors by the Debtors under the Subordinated Secured Documents;

“Subordinated Secured Loan Note Instrument” means the loan note instrument dated on or around the date of this Agreement creating £5,000,000 fixed rate subordinated PIK notes of the Company;

“Subordinated Secured Loan Notes” means the loan notes issued under the Subordinated Secured Loan Note Instrument;

“Subordinated Security” means the Security created or expressed to be created or evidenced under or pursuant to the Subordinated Security Documents;

“Subordinated Security Documents” means:

- (a) a second ranking Scots law bond and floating charge to be granted by the Company in favour of the Original Subordinated Secured Creditor;
- (b) a second ranking Scots law bond and floating charge to be granted by the Target in favour of the Original Subordinated Secured Creditor;
- (c) a second ranking Scots law bond and floating charge to be granted by M Squared Life Limited in favour of the Original Subordinated Secured Creditor;
- (d) a second ranking Scots law bond and floating charge to be granted by Solus Technologies Limited in favour the Original Subordinated Secured Creditor;
- (e) a second ranking cross guarantee to be entered into among the Company, the Target, M Squared Life Limited, and Solus Technologies Limited in favour of the Original Subordinated Secured Creditor; and
- (f) any other document consented to by the Majority Senior Lenders or otherwise permitted by the Senior Facilities Agreement granted by a Debtor in favour of the Subordinated Secured Creditors (or any of them) and designated as such by the Company, the relevant Subordinated Secured Creditor and the Agent;

“Subordinated Security Property” means:

- (a) the Subordinated Security expressed to be granted in favour of the Subordinated Secured Creditors and all proceeds of that Subordinated Security;
- (b) all obligations expressed to be undertaken by a Debtor to pay amounts in respect of the Liabilities to the Subordinated Secured Creditors and secured by the Subordinated Security together with all representations and warranties expressed to be given by a Debtor in favour of the Subordinated Secured Creditors;
- (c) the Subordinated Secured Creditors' interest in any trust fund created pursuant to Clause 8 (Turnover of Receipts);

“Subordinated Unsecured Creditor Guarantees” means:

- (a) the guarantee granted by the Target in favour of the Original Subordinated Unsecured Creditor pursuant to part A of part 2 of the schedule to the Subordinated Unsecured Loan Note Instrument (2018); and
- (b) any guarantee granted by the Target in favour of the Original Subordinated Unsecured Creditor in relation to M Squared Life Limited's obligations under the Subordinated Unsecured Loan Note Instrument (Additional);

"Subordinated Unsecured Creditors" means:

- (a) the Original Subordinated Unsecured Creditor; or
- (b) any other person who has become a Party as a Subordinated Unsecured Creditor pursuant to Clause 19.9 (Creditor Accession Undertaking);

"Subordinated Unsecured Documents" means the Subordinated Unsecured Loan Note Instruments, the Subordinated Unsecured Loan Notes, and any other document designated as a "Subordinated Unsecured Document" by the Company, the relevant Subordinated Secured Creditor and the Agent (acting on the instructions of the Majority Senior Lenders);

"Subordinated Unsecured Liabilities" means all Liabilities owed to the Subordinated Unsecured Creditors by the Debtors under the Subordinated Unsecured Documents;

"Subordinated Unsecured Loan Note Instrument (2018)" means the loan note instrument dated 26 November 2018 creating £672,000 fixed rate guaranteed unsecured notes due 2023 of M Squared Life Limited;

"Subordinated Unsecured Loan Note Instrument (Additional)" means any loan note instrument entered into after the date of this Agreement creating 'Additional Loan Notes' as defined in and pursuant to (i) clauses 11.3 and 11.4 of the licence agreement dated 23 November 2018 between M Squared Life Limited and the Original Subordinated Unsecured Creditor, and (ii) clause 3.1 of the spin-out agreement dated 23 November 2018 among the Target, M Squared Life Limited and the Original Subordinated Unsecured Creditor;

"Subordinated Unsecured Loan Note Instruments" means the Subordinated Unsecured Loan Note Instrument (2018) and the Subordinated Unsecured Loan Note Instrument (Additional);

"Subordinated Unsecured Loan Notes" means the Subordinated Unsecured Loan Notes (2018) and the Subordinated Unsecured Loan Notes (Additional);

"Subordinated Unsecured Loan Notes (2018)" means the loan notes issued under the Subordinated Unsecured Loan Note Instrument (2018);

"Subordinated Unsecured Loan Notes (Additional)" means the loan notes issued under the Subordinated Unsecured Loan Note Instrument (Additional);

"Subsidiary" has the meaning given to the term **"Subsidiary"** in the Senior Facilities Agreement;

"Target" means M-Squared Lasers Limited, a company incorporated under the laws of Scotland with registered number SC243330;

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

"Term Facility" has the meaning given to that term in the Senior Facilities Agreement;

"Term Loan" means any "Term Facility Loan" under and as defined in the Senior Facilities Agreement;

"Term Outstandings" means, at any time, the aggregate of the amounts of principal (not including any capitalised or deferred interest) then outstanding in respect of Term Loans;

"Total Interest Rate Hedging" means, at any time, the aggregate of each Hedge Counterparty's Interest Rate Hedging at that time;

"Transaction Security" means any or all of the Senior Security and the Subordinated Security as the context admits; and

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
 - (i) any **"Arranger"**, **"Company"**, **"Creditor"**, **"Debtor"**, **"Agent"**, **"Hedge Counterparty"**, **"Intra-Group Lender"**, **"Party"**, **"Senior Creditor"**, **"Security Agent"**, **"Arranger"**, **"Senior Borrower"**, **"Senior Facility Creditor"**, **"Senior Guarantor"**, **"Senior Lender"**, **"Subordinated Creditor"**, **"Subordinated Secured Creditor"** or **"Subordinated Unsecured Creditor"** shall be construed to be a reference to it in its capacity as such and not in any other capacity;

- (ii) any **“Arranger”**, **“Creditor”**, **“Debtor”**, **“Agent”**, **“Hedge Counterparty”**, any **“Party”**, or the **“Security Agent”**, **“Subordinated Creditor”**, **“Subordinated Secured Creditor”** or **“Subordinated Unsecured Creditor”** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Debt Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with this Agreement;
- (iii) an **“amount”** includes an amount of cash and an amount of Non-Cash Consideration;
- (iv) **“assets”** includes present and future properties, revenues and rights of every description;
- (v) a **“Debt Document”** or any other agreement or instrument is (other than a reference to a **“Debt Document”** or any other agreement or instrument in **“original form”**) a reference to that Debt Document, or other agreement or instrument, as amended, novated, supplemented, extended or restated as permitted by this Agreement;
- (vi) a **“distribution”** of or out of the assets of a member of the Group, includes a distribution of cash and a distribution of Non-Cash Consideration;
- (vii) **“enforcing”** (or any derivation) any Security includes the appointment of an administrator (or any analogous officer in any jurisdiction) of a Debtor by the Security Agent;
- (viii) a **“group of Creditors”** includes all the Creditors and a **“group of Senior Creditors”** includes all the Senior Creditors;
- (ix) **“indebtedness”** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (x) the **“original form”** of a **“Debt Document”** or any other agreement or instrument is a reference to that Debt Document, agreement or instrument as originally entered into;
- (xi) a **“person”** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (xii) **“proceeds”** of a Distressed Disposal or of a Debt Disposal includes proceeds in cash and in Non-Cash Consideration;

- (xiii) a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
 - (xiv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) A Default (other than an Event of Default) is **“continuing”** if it has not been remedied or waived and an Event of Default is **“continuing”** if it has not been waived (including, without limitation, waivers by email).

1.3 **Third party rights**

- (a) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contract (Third Party Rights) (Scotland) Act 2017 (the **“Third Parties Act”**) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Receiver, Delegate or any other person described in paragraph (b) of Clause 18.10 (Exclusion of liability) may, subject to this Clause 1.3 and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

SECTION 2 - RANKING AND SENIOR CREDITORS

2 RANKING AND PRIORITY

2.1 Senior Creditor Liabilities

Each of the Parties agrees that the Liabilities owed by the Debtors to the Creditors shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking Liabilities as follows:

- (a) **first**, the Senior Facility Liabilities and the Hedging Liabilities *pari passu* and without any preference between them;
- (b) **second**, the Subordinated Secured Liabilities; and
- (c) **third**, the Subordinated Unsecured Liabilities and the Intra-Group Liabilities *pari passu* and without any preference between them.

2.2 Transaction Security

Each of the Parties agrees that the Senior Security and the Subordinated Security shall rank and secure the following Liabilities in the following order:

- (a) **first**, the Senior Security in relation to the Senior Facility Liabilities and the Hedging Liabilities *pari passu* and without any preference between them;
- (b) **second**, the Subordinated Security in relation to the Subordinated Secured Liabilities; and
- (c) **third**, the Subordinated Unsecured Creditor Guarantees.

2.3 Subordinated and Intra-Group Liabilities

- (a) Each of the Parties agrees that the Subordinated Liabilities and Intra-Group Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Senior Creditors.
- (b) Each of the Parties agrees that the Subordinated Unsecured Liabilities and Intra-Group Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Subordinated Secured Creditors.
- (c) This Agreement does not purport to rank:
 - (i) any of the Subordinated Secured Liabilities as between themselves; or

- (ii) any of the Subordinated Unsecured Liabilities or the Intra-Group Liabilities as between themselves.

3 SENIOR FACILITY CREDITORS AND SENIOR FACILITY LIABILITIES

3.1 Payment of Senior Facility Liabilities

The Debtors may make Payments of the Senior Facility Liabilities at any time in accordance with the Senior Finance Documents.

3.2 Amendments and Waivers: Senior Facility Creditors

- (a) Subject to Clause 3.3 (Restriction on amendments and waivers: SFA guarantee) and to paragraph (b) below, the Senior Facility Creditors may amend or waive the terms of the Senior Finance Documents in accordance with their terms (and subject to any consent required under them) at any time.
- (b) The Senior Facility Creditors may not amend or waive the terms of the Senior Finance Documents without the prior consent of the Subordinated Secured Creditors (such consent not to be unreasonably withheld or delayed) if the amendment or waiver is, in relation to the original form of the Senior Finance Documents an amendment or waiver which:
 - (i) results in any deferral of any scheduled repayment of the Senior Facility Liabilities to a date that occurs after the Senior Termination Date;
 - (ii) results in a Senior Deferral unless:
 - (A) the Senior Deferral Amount of that Senior Deferral does not (when aggregated with the Senior Deferral Amounts in respect of all Senior Deferrals made prior to the proposed date of such Senior Deferral) exceed the Senior Deferral Headroom at that time; and
 - (B) that Senior Deferral does not result in a deferral of any scheduled repayment of the Senior Facility Liabilities otherwise restricted by Clause 3.2(b)(i) above;
 - (iii) constitutes an increase in the applicable Margin, or the inclusion of an additional margin relating to the Senior Facilities other than such an increase or inclusion which is contemplated by the original form of the Senior Finance Documents;
 - (iv) constitutes a Senior Principal Increase; and/or

- (v) constitutes a Senior Uncommitted Principal Increase the amount of which exceeds the Senior Uncommitted Headroom.

3.3 **Restriction on amendments and waivers: SFA guarantee**

Without prejudice to Clause 12 (Distressed Disposals and Appropriation), the Senior Facility Creditors may not:

- (a) amend or waive the terms of the Senior Finance Documents if the amendment or waiver:
 - (i) would have the effect of changing, or relates to, the nature or scope of the guarantee and indemnity granted under clause 20 (Guarantee and Indemnity) of the Senior Facilities Agreement unless expressly envisaged by the original form of a Senior Finance Document; or
 - (ii) relates to the release of any guarantee and indemnity granted under clause 20 (Guarantee and Indemnity) of the Senior Facilities Agreement unless expressly envisaged by the original form of a Senior Finance Document or relating to a sale or disposal of an asset which is a Non-Distressed Disposal,unless the prior consent of the Hedge Counterparties is obtained; or
- (b) consent to the resignation of a member of the Group which has granted a guarantee and indemnity under clause 20 (Guarantee and Indemnity) of the Senior Facilities Agreement of the Senior Facilities Agreement unless each Hedge Counterparty has:
 - (i) notified the Security Agent that no payment is due to it from that member of the Group under that Clause; or
 - (ii) agreed to that consent being given.

3.4 **Designation of Senior Finance Documents**

If the terms of a document effect a change which would, if that change was effected by way of amendment to, or waiver of, the terms of a Senior Finance Document, require a notification by or the consent of the Hedge Counterparties under Clause 3.3 (Restriction on amendments and waivers: SFA guarantee), that document shall not constitute a Senior Finance Document for the purposes of this Agreement or a “**Finance Document**” for the purposes of the Senior Facilities Agreement, without such a notification by or the prior consent of the Hedge Counterparties.

3.5 **Security: Senior Facility Creditors**

The Senior Facility Creditors may take, accept or receive the benefit of:

- (a) any Security in respect of the Senior Facility Liabilities from any member of the Group in addition to the Common Senior Security which to the extent legally possible is, at the same time, also offered either:
 - (i) to the Security Agent as trustee for the other Secured Parties in respect of their Liabilities; or
 - (ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as trustee for the Secured Parties:
 - (A) to the other Secured Parties in respect of their Liabilities; or
 - (B) to the Security Agent under a parallel debt structure for the benefit of the other Secured Parties; and
 - (iii) to the Subordinated Secured Creditors in respect of their Subordinated Secured Liabilities provided that any such Security is to be granted by a member of the Group incorporated in the United Kingdom and limited to assets situated in the United Kingdom;
- (b) any guarantee, indemnity or other assurance against loss in respect of the Senior Facility Liabilities from any member of the Group in addition to those in:
 - (i) the original form of Senior Facilities Agreement;
 - (ii) this Agreement; or
 - (iii) any Common Assurance,if and to the extent legally possible, at the same time it is also offered to the other Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in Clause 2 (Ranking and Priority).

4 HEDGE COUNTERPARTIES AND HEDGING LIABILITIES

4.1 Identity of Hedge Counterparties

No entity providing hedging arrangements to any Debtor shall be entitled to share in any of the Senior Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities and obligations arising in relation to those hedging arrangements nor shall those liabilities and obligations be treated as Hedging Liabilities unless that entity is or becomes:

- (a) a Party as a Hedge Counterparty; and
- (b) a party to the Senior Facilities Agreement as a Hedge Counterparty.

4.2 Restriction on Payment: Hedging Liabilities

The Debtors shall not, and shall procure that no other member of the Group will, make any Payment of the Hedging Liabilities at any time unless:

- (a) that Payment is permitted under Clause 4.3 (Permitted Payments: Hedging Liabilities); or
- (b) the taking or receipt of that Payment is permitted under paragraph (c) of Clause 4.9 (Permitted Enforcement: Hedge Counterparties).

4.3 Permitted Payments: Hedging Liabilities

- (a) Subject to paragraph (b) below, the Debtors may make Payments to any Hedge Counterparty in respect of the Hedging Liabilities then due to that Hedge Counterparty under any Hedging Agreement in accordance with the terms of that Hedging Agreement:
 - (i) if the Payment is a scheduled Payment arising under the relevant Hedging Agreement;
 - (ii) to the extent that the relevant Debtor's obligation to make the Payment arises as a result of the operation of:
 - (A) any of sections 2(d) (Deduction or Withholding for Tax), 2(e) (Default Interest; Other Amounts), 8(a) (Payment in the Contractual Currency), 8(b) (Judgments) and 11 (Expenses) of the 1992 ISDA Master Agreement (if the Hedging Agreement is based on a 1992 ISDA Master Agreement);
 - (B) any of sections 2(d) (Deduction or Withholding for Tax), 8(a) (Payment in the Contractual Currency), 8(b) (Judgments), 9(h)(i) (Prior to Early Termination) and 11 (Expenses) of the 2002 ISDA Master Agreement (if the Hedging Agreement is based on a 2002 ISDA Master Agreement); or
 - (C) any provision of a Hedging Agreement which is similar in meaning and effect to any provision listed in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement);
 - (iii) to the extent that the relevant Debtor's obligation to make the Payment arises from a Non-Credit Related Close-Out;
 - (iv) to the extent that:

- (A) the relevant Debtor's obligation to make the Payment arises from:
 - (1) a Credit Related Close-Out in relation to that Hedging Agreement; or
 - (2) a Permitted Automatic Early Termination under that Hedging Agreement which arises as a result of an event relating to a Debtor; and
 - (B) no Senior Event of Default is continuing at the time of that Payment or would result from that Payment;
- (v) to the extent that no Senior Event of Default is continuing or would result from that Payment and the relevant Debtor's obligation to make the Payment arises as a result of a close-out or termination arising as a result of:
- (A) section 5(a)(vii) (Bankruptcy) of the 1992 ISDA Master Agreement (if the relevant Hedging Agreement is based on a 1992 ISDA Master Agreement) and the Event of Default (as defined in the relevant Hedging Agreement) has occurred with respect to the relevant Hedge Counterparty;
 - (B) section 5(a)(vii) (Bankruptcy) of the 2002 ISDA Master Agreement (if the relevant Hedging Agreement is based on a 2002 ISDA Master Agreement) and the Event of Default (as defined in the relevant Hedging Agreement) has occurred with respect to the relevant Hedge Counterparty;
 - (C) any provision of a Hedging Agreement which is similar in meaning and effect to any provision listed in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement) and the equivalent event of default has occurred with respect to the relevant Hedge Counterparty; or
 - (D) the relevant Debtor terminating or closing-out the relevant Hedging Agreement as a result of a Hedging Force Majeure and the Termination Event (as defined in the relevant Hedging Agreement in the case of a Hedging Agreement based on an ISDA Master Agreement) or the equivalent termination event (in the case of a Hedging Agreement not based on an ISDA Master Agreement) has occurred with respect to the relevant Hedge Counterparty; or

(E) if the Majority Senior Creditors give prior consent to the Payment being made.

- (b) No Payment may be made to a Hedge Counterparty under paragraph (a) above if any scheduled Payment due from that Hedge Counterparty to a Debtor under a Hedging Agreement to which they are both party is due and unpaid unless the prior consent of the Majority Senior Creditors is obtained.
- (c) Failure by a Debtor to make a Payment to a Hedge Counterparty which results solely from the operation of paragraph (b) above shall, without prejudice to Clause 4.4 (Payment obligations continue), not result in a default (however described) in respect of that Debtor under that Hedging Agreement.

4.4 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 4.2 (Restriction on Payment: Hedging Liabilities) and 4.3 (Permitted Payments: Hedging Liabilities) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

4.5 No acquisition of Hedging Liabilities

The Debtors shall not, and shall procure that no other member of the Group will:

- (a) enter into any Liabilities Acquisition; or
- (b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Hedging Liabilities unless the prior consent of the Majority Senior Creditors is obtained.

4.6 Amendments and Waivers: Hedging Agreements

- (a) Subject to paragraph (b) below, the Hedge Counterparties may not, at any time, amend or waive any term of the Hedging Agreements.
- (b) A Hedge Counterparty may amend or waive any term of a Hedging Agreement in accordance with the terms of that Hedging Agreement if:
 - (i) that amendment or waiver does not breach another term of this Agreement; and
 - (ii) that amendment or waiver would not result in a breach of the Senior Facilities Agreement.

4.7 Security: Hedge Counterparties

The Hedge Counterparties may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Hedging Liabilities other than:

- (a) the Common Senior Security;
- (b) any guarantee, indemnity or other assurance against loss contained in:
 - (i) the original form of Senior Facilities Agreement;
 - (ii) this Agreement;
 - (iii) any Common Assurance; or
 - (iv) the relevant Hedging Agreement no greater in extent than any of those referred to in paragraphs (i) to (iii) above;
- (c) as otherwise contemplated by Clause 3.5 (Security: Senior Facility Creditors); and
- (d) the indemnities contained in the ISDA Master Agreements (in the case of a Hedging Agreement which is based on an ISDA Master Agreement) or any indemnities which are similar in meaning and effect to those indemnities (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement).

4.8 Restriction on Enforcement: Hedge Counterparties

Subject to Clause 4.9 (Permitted Enforcement: Hedge Counterparties) and Clause 4.10 (Required Enforcement: Hedge Counterparties) and without prejudice to each Hedge Counterparty's rights under Clauses 10.1 (Enforcement Instructions) and 10.2 (Manner of enforcement), the Hedge Counterparties shall not take any Enforcement Action in respect of any of the Hedging Liabilities or any of the hedging transactions under any of the Hedging Agreements at any time.

4.9 Permitted Enforcement: Hedge Counterparties

- (a) To the extent it is able to do so under the relevant Hedging Agreement, a Hedge Counterparty may terminate or close-out in whole or in part any hedging transaction under that Hedging Agreement prior to its stated maturity:

Non-Credit Related Close-Outs

- (i) if, prior to a Senior Distress Event, the Company has certified to that Hedge Counterparty that that termination or close-out would not result in a breach of the Senior Facilities Agreement;

- (ii) if a Hedging Force Majeure has occurred in respect of that Hedging Agreement;
- (iii) to the extent necessary to comply with paragraph (c) of Clause 4.13 (Total Interest Rate Hedging); or
- (iv) a close-out or termination right arises pursuant to Section 1.5 (No fault termination right) of the ISDA Benchmarks Supplement as published by the International Swaps and Derivatives Association, Inc. on 19 September 2018;

Credit Related Close-Outs

- (v) if a Senior Distress Event has occurred;
 - (vi) if an Event of Default has occurred under clause 25.6 (Insolvency) or clause 25.7 (Insolvency proceedings) of the Senior Facilities Agreement, in relation to a Debtor which is party to that Hedging Agreement;
 - (vii) if the Majority Senior Creditors give prior consent to that termination or close-out being made; and
 - (viii) on or immediately following a refinancing (or repayment) and cancellation in full of the Senior Facility Liabilities;
- (b) If a Debtor has defaulted on any Payment due under a Hedging Agreement (after allowing any applicable notice or grace periods) and the default has continued unwaived for more than 30 days after notice of that default has been given to the Security Agent pursuant to paragraph (e) of Clause 22.3 (Notification of prescribed events), the relevant Hedge Counterparty:
- (i) may, to the extent it is able to do so under the relevant Hedging Agreement, terminate or close-out in whole or in part any hedging transaction under that Hedging Agreement; and
 - (ii) until such time as the Security Agent has given notice to that Hedge Counterparty that the Senior Security is being enforced (or that any formal steps are being taken to enforce the Senior Security), shall be entitled to exercise any right it might otherwise have to sue for, commence or join legal or arbitration proceedings against any Debtor to recover any Hedging Liabilities due under that Hedging Agreement.
- (c) After the occurrence of an Insolvency Event in relation to any member of the Group, each Hedge Counterparty shall be entitled to exercise any right it may otherwise have in respect of that member of the Group to:

- (i) prematurely close-out or terminate any Hedging Liabilities of that member of the Group;
- (ii) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Hedging Liabilities;
- (iii) exercise any right of set-off or take or receive any Payment in respect of any Hedging Liabilities of that member of the Group; or
- (iv) claim and prove in any insolvency process of that member of the Group for the Hedging Liabilities owing to it.

4.10 Required Enforcement: Hedge Counterparties

- (a) Subject to paragraph (b) below, a Hedge Counterparty shall promptly terminate or close-out in full any hedging transaction under all or any of the Hedging Agreements to which it is party prior to their stated maturity, following:
 - (i) the occurrence of a Senior Acceleration Event and delivery to it of a notice from the Security Agent that that Senior Acceleration Event has occurred; and
 - (ii) delivery to it of a subsequent notice from the Security Agent (acting on the instructions of the Majority Senior Creditors) instructing it to do so.
- (b) Paragraph (a) above shall not apply to the extent that that Senior Acceleration Event occurred as a result of an arrangement made between any Debtor and any Senior Creditor with the purpose of bringing about that Senior Acceleration Event.
- (c) If a Hedge Counterparty is entitled to terminate or close-out any hedging transaction under paragraph (b) of Clause 4.9 (Permitted Enforcement: Hedge Counterparties) (or would have been able to if that Hedge Counterparty had given the notice referred to in that paragraph) but has not terminated or closed out each such hedging transaction, that Hedge Counterparty shall promptly terminate or close-out in full each such hedging transaction following a request to do so by the Security Agent (acting on the instructions of the Majority Senior Creditors).

4.11 Treatment of Payments due to Debtors on termination of hedging transactions

- (a) If, on termination of any hedging transaction under any Hedging Agreement occurring after a Senior Distress Event, a settlement amount or other amount (following the application of any Close-Out Netting, Payment Netting or Inter-Hedging Agreement Netting in respect of that Hedging Agreement) falls due from a Hedge Counterparty to the relevant Debtor then that amount shall be paid by that Hedge Counterparty to the Security Agent, treated as the proceeds of enforcement

of the Transaction Security and applied in accordance with the terms of this Agreement.

- (b) The payment of that amount by the Hedge Counterparty to the Security Agent in accordance with paragraph (a) above shall discharge the Hedge Counterparty's obligation to pay that amount to that Debtor.

4.12 **Terms of Hedging Agreements**

The Hedge Counterparties (to the extent party to the Hedging Agreement in question) and the Debtors party to the Hedging Agreements shall ensure that, at all times:

- (a) each Hedging Agreement documents only hedging arrangements entered into for the purpose of hedging the types of liabilities described in the definition of "**Hedging Agreement**" and that no other hedging arrangements are carried out under or pursuant to a Hedging Agreement;
- (b) each Hedging Agreement is based either:
 - (i) on an ISDA Master Agreement; or
 - (ii) on another framework agreement which is similar in effect to an ISDA Master Agreement;
- (c) in the event of a termination of the hedging transaction entered into under a Hedging Agreement, whether as a result of:
 - (i) a Termination Event or an Event of Default, each as defined in the relevant Hedging Agreement (in the case of a Hedging Agreement which is based on an ISDA Master Agreement); or
 - (ii) an event similar in meaning and effect to either of those described in paragraph (i) above (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement),

that Hedging Agreement will:

- (A) if it is based on a 1992 ISDA Master Agreement, provide for payments under the "**Second Method**" and will make no material amendment to section 6(e) (Payments on Early Termination) of the ISDA Master Agreement;
- (B) if it is based on a 2002 ISDA Master Agreement, make no material amendment to section 6(e) (Payments on Early Termination) of the ISDA Master Agreement; or

- (C) if it is not based on an ISDA Master Agreement, provide for any other method the effect of which is that the party to which that event is referable will be entitled to receive payment under the relevant termination provisions if the net replacement value of all terminated transactions entered into under that Hedging Agreement is in its favour;
- (d) each Hedging Agreement will not provide for Automatic Early Termination other than to the extent that:
 - (i) the provision of Automatic Early Termination is consistent with practice in the relevant derivatives market, taking into account the legal status and jurisdiction of incorporation of the parties to that Hedging Agreement; and
 - (ii) that Automatic Early Termination is:
 - (A) as provided for in section 6(a) (Right to Terminate following Event of Default) of the 1992 ISDA Master Agreement (if the Hedging Agreement is based on a 1992 ISDA Master Agreement);
 - (B) as provided for in section 6(a) (Right to Terminate Following Event of Default) of the 2002 ISDA Master Agreement (if the Hedging Agreement is based on a 2002 ISDA Master Agreement); or
 - (C) similar in effect to that described in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement);
- (e) each Hedging Agreement will provide that the relevant Hedge Counterparty will be entitled to designate an Early Termination Date or otherwise be able to terminate each transaction under such Hedging Agreement if so required pursuant to Clause 4.10 (Required Enforcement: Hedge Counterparties); and
- (f) each Hedging Agreement will permit the relevant Hedge Counterparty and each relevant Debtor to take such action as may be necessary to comply with Clause 4.13 (Total Interest Rate Hedging).

4.13 Total Interest Rate Hedging

- (a) The Company shall procure that, at all times the Total Interest Rate Hedging does not exceed the Term Outstandings.
- (b) Subject to paragraph (a) above, if the Total Interest Rate Hedging is less than the Term Outstandings, a Debtor may (but, subject to clause 24.36 (Entering into and

compliance with Hedging Letter) of the Senior Facilities Agreement, shall be under no obligation to) enter into additional hedging arrangements to increase the Total Interest Rate Hedging.

- (c) If any reduction in the Term Outstandings results in an Interest Rate Hedge Excess then, on the same day as that reduction becomes effective in accordance with the terms of the Senior Facilities Agreement, the relevant Debtor(s) shall, and the Company shall procure that the relevant Debtor(s) shall, reduce each Hedge Counterparty's Interest Rate Hedging by that Hedge Counterparty's Interest Rate Hedging Proportion of that Interest Rate Hedge Excess by terminating or closing out any relevant hedging transaction(s) in full or in part, as may be necessary.
- (d) The relevant Debtor(s) shall, and the Company shall procure that the relevant Debtor(s) will, pay to that Hedge Counterparty (in accordance with the relevant Hedging Agreement) an amount equal to the sum of all payments (if any) that become due from each relevant Debtor to a Hedge Counterparty under the relevant Hedging Agreement(s) as a result of any action described in paragraph (c) above.
- (e) Each Hedge Counterparty shall co-operate in any process described in paragraph (d) above and shall pay (in accordance with the relevant Hedging Agreement(s)) any amount that becomes due from it under the relevant Hedging Agreement(s) to a Debtor as a result of any action described in paragraph (c) above.

SECTION 3 - OTHER CREDITORS

5 INTRA-GROUP LENDERS AND INTRA-GROUP LIABILITIES

5.1 Restriction on Payment: Intra-Group Liabilities

Prior to the Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will, make any Payments of the Intra-Group Liabilities at any time unless:

- (a) that Payment is permitted under Clause 5.2 (Permitted Payments: Intra-Group Liabilities); or
- (b) the taking or receipt of that Payment is permitted under paragraph (c) of Clause 5.7 (Permitted Enforcement: Intra-Group Lenders).

5.2 Permitted Payments: Intra-Group Liabilities

- (a) Subject to paragraph (b) below, the Debtors may make Payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time when due including, for the avoidance of doubt, but without limitation, any payment expressly permitted by (i) prior to the Senior Discharge Date, the Senior Facilities Agreement and (ii) after the Senior Discharge Date, the Subordinated Secured Loan Note Instrument.
- (b) Payments in respect of the Intra-Group Liabilities may not be made pursuant to paragraph (a) above if, at the time of the Payment, (i) prior to the Senior Discharge Date, an Event of Default has occurred and is continuing or would occur under any of the Senior Finance Documents and (ii) after the Senior Discharge Date, a Subordinated Creditor Event of Default has occurred and is continuing or would occur under the Subordinated Secured Loan Note Instrument, in each case unless:
 - (i) prior to the Senior Discharge Date
 - (A) the Majority Senior Lenders consent to that Payment being made; or
 - (B) that Payment is made to facilitate Payment of the Senior Liabilities; and
 - (ii) after the Senior Discharge Date:
 - (A) the Subordinated Secured Creditors consent to that Payment being made; or
 - (B) that Payment is made to facilitate Payment of the Subordinated Secured Liabilities.

5.3 **Payment obligations continue**

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 5.1 (Restriction on Payment: Intra-Group Liabilities) and 5.2 (Permitted Payments: Intra-Group Liabilities) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

5.4 **Acquisition of Intra-Group Liabilities**

- (a) Subject to paragraph (b) below, each Debtor may, and may permit any other member of the Group to:
 - (i) enter into any Liabilities Acquisition; or
 - (ii) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,in respect of any Intra-Group Liabilities at any time.
- (b) Subject to paragraph (c) below, no action described in paragraph (a) above may take place in respect of any Intra-Group Liabilities if:
 - (i) that action would result in a breach of (A) prior to the Senior Discharge Date, the Senior Facilities Agreement and (B) after the Senior Discharge Date, the Subordinated Secured Loan Note Instrument; or
 - (ii) at the time of that action, (A) prior to the Senior Discharge Date, an Event of Default has occurred and is continuing or would occur under any of the Debt Documents and (B) after the Senior Discharge Date a Subordinated Creditor Event of Default has occurred and is continuing or would occur under any of the Subordinated Secured Documents.
- (c) The restrictions in paragraph (b) above shall not apply if:
 - (i) prior to the Senior Discharge Date:
 - (A) the Majority Senior Lenders consent to that Payment being made; or
 - (B) that action is taken to facilitate Payment of the Senior Liabilities; and
 - (ii) after the Senior Discharge Date:

- (A) the Subordinated Secured Creditors consent to that Payment being made; or
- (B) that action is taken to facilitate Payment of the Subordinated Secured Liabilities.

5.5 Security: Intra-Group Lenders

Prior to the Discharge Date, the Intra-Group Lenders may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Intra-Group Liabilities unless:

- (a) prior to the Senior Discharge Date:
 - (i) that Security, guarantee, indemnity or other assurance against loss is expressly permitted by the Senior Facilities Agreement; or
 - (ii) the prior consent of the Majority Senior Lenders is obtained; and
- (b) after the Senior Discharge Date:
 - (i) that Security, guarantee, indemnity or other assurance against loss is expressly permitted by the Subordinated Secured Documents; or
 - (ii) the prior consent of the Subordinated Secured Creditors is obtained.

5.6 Restriction on enforcement: Intra-Group Lenders

Subject to Clause 5.7 (Permitted Enforcement: Intra-Group Lenders), none of the Intra-Group Lenders shall be entitled to take any Enforcement Action in respect of any of the Intra-Group Liabilities at any time prior to the Discharge Date.

5.7 Permitted Enforcement: Intra-Group Lenders

After the occurrence of an Insolvency Event in relation to any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with Clause 7.4 (Filing of claims)), exercise any right it may otherwise have against that member of the Group to:

- (a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;
- (b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;

- (c) exercise any right of set-off or take or receive any Payment in respect of any Intra-Group Liabilities of that member of the Group; or
- (d) claim and prove any insolvency process of that member of the Group for the Intra-Group Liabilities owing to it.

6 SUBORDINATED LIABILITIES

6.1 Restriction on Payment: Subordinated Liabilities

Prior to the Senior Discharge Date, neither the Company nor any other Debtor shall, and the Company shall procure that no other member of the Group will, make any Payment of the Subordinated Liabilities at any time unless:

- (a) that Payment is permitted under Clause 6.2 (Permitted Payments: Subordinated Liabilities); or
- (b) the taking or receipt of that Payment is permitted under Clause 6.15 (Permitted Enforcement: Subordinated Creditors), Clause 6.16 (Permitted Enforcement: Subordinated Secured Creditors) or Clause 6.17 (Permitted Enforcement: Subordinated Unsecured Creditors).

6.2 Permitted Payments: Subordinated Liabilities

The Debtors may make Payments in respect of the Subordinated Liabilities (including any Guarantee Liabilities) then due if:

- (a) such Payment is a Permitted Subordinated Secured Payment;
- (b) such Payment is a Permitted Subordinated Unsecured Payment; or
- (c) otherwise, the Majority Senior Lenders consent to such Payment being made by a Debtor.

6.3 Restriction on Payment: Subordinated Unsecured Liabilities

After the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, neither the Company nor any other Debtor shall, and the Company shall procure that no other member of the Group will, make any Payment of the Subordinated Unsecured Liabilities at any time unless:

- (a) such Payment is a Permitted Subordinated Unsecured Payment; or
- (b) the taking or receipt of that Payment is permitted under Clause 6.17 (Permitted Enforcement: Subordinated Unsecured Creditors).

6.4 PIK/Capitalisation of Interest

Where any Subordinated Document provides for the accrual and capitalisation of interest or the issue of PIK notes, such accrual and/or capitalisation or issue of PIK notes shall continue notwithstanding the operation of the terms of this Agreement in relation to actual payment of the same.

6.5 Payment obligations continue

Neither the Company nor any other Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 6.1 (Restriction on Payment: Subordinated Liabilities) or Clauses 6.3 (Restriction on Payment: Subordinated Unsecured Liabilities) even if its obligation to make that Payment is restricted at any time by the terms of any of that Clause.

6.6 No acquisition of Subordinated Liabilities

Prior to the Senior Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will:

- (a) enter into any Liabilities Acquisition; or
- (b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Subordinated Liabilities, unless expressly permitted under the Senior Facilities Agreement or the prior consent of the Majority Senior Creditors is obtained.

6.7 No acquisition of Subordinated Unsecured Liabilities

After the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will:

- (a) enter into any Liabilities Acquisition; or
- (b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Subordinated Unsecured Liabilities, unless expressly permitted under the Subordinated Creditor Documents or the prior consent of the Subordinated Secured Creditors is obtained.

6.8 Amendments and Waivers: Subordinated Creditors

Prior to the Senior Discharge Date, the Subordinated Creditors may not amend, waive or agree the terms of any of the documents or instruments pursuant to which the Subordinated Liabilities are constituted unless:

- (a) expressly permitted under the Senior Facilities Agreement;
- (b) the prior consent of the Majority Senior Creditors is obtained;
- (c) that amendment, waiver or agreement is of a minor and administrative nature and is not prejudicial to the Senior Creditors;
- (d) the amendment, waiver or agreement is solely to defer any scheduled repayment of the Subordinated Liabilities and is not prejudicial to the Senior Creditors;
- (e) that amendment, waiver or agreement is solely to convert cash pay interest to capitalised interest and is not prejudicial to the Senior Creditors; or
- (f) it is an amendment or waiver which would result in any Debtor being subject to more onerous obligations under the representations, undertakings, financial covenants or events of default set out in any Subordinated Document, provided that the same change has already been made to, or given in respect of, the Senior Finance Documents.

6.9 Amendments and Waivers: Subordinated Unsecured Creditors

After the Senior Discharge date but prior to the Subordinated Secured Creditor Discharge Date, the Subordinated Unsecured Creditors may not amend, waive or agree the terms of any of the documents or instruments pursuant to which the Subordinated Liabilities are constituted unless:

- (a) expressly permitted under the Subordinated Creditor Documents;
- (b) the prior consent of the Subordinated Secured Creditors is obtained;
- (c) that amendment, waiver or agreement is of a minor and administrative nature and is not prejudicial to the Subordinated Secured Creditors;
- (d) the amendment, waiver or agreement is solely to defer any scheduled repayment of the Subordinated Unsecured Liabilities and is not prejudicial to the Subordinated Secured Creditors;
- (e) that amendment, waiver or agreement is solely to convert cash pay interest to capitalised interest and is not prejudicial to the Subordinated Secured Creditors; or

- (f) an amendment or waiver which would result in any Debtor being subject to more onerous obligations under the representations, undertakings, financial covenants or events of default set out in any Subordinated Unsecured Document.

6.10 Security: Subordinated Secured Creditors

- (a) Prior to the Senior Discharge Date, the Subordinated Secured Creditors may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Subordinated Secured Liabilities other than:
 - (i) the Subordinated Security Documents;
 - (ii) any Security, guarantee, indemnity or other assurance against loss that is expressly permitted by the Senior Facilities Agreement; or
 - (iii) any Security, guarantee, indemnity or other assurance against loss in respect of which the prior consent of the Majority Senior Creditors is obtained.
- (b) This Clause 6.10 shall not apply to any Security granted in favour of the Subordinated Secured Creditors in accordance with the terms of Clause 3.5 (Security: Senior Facility Creditors).

6.11 Security: Subordinated Unsecured Creditors

Prior to the Discharge Date, the Subordinated Unsecured Creditors may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Subordinated Unsecured Liabilities other than:

- (a) the Subordinated Unsecured Creditor Guarantees;
- (b) any Security, guarantee, indemnity or other assurance against loss that is expressly permitted by the Senior Facilities Agreement;
- (c) prior to the Senior Discharge Date, any Security, guarantee, indemnity or other assurance against loss in respect of which the prior consent of the Majority Senior Creditors is obtained; or
- (d) any Security, guarantee, indemnity or other assurance against loss in respect of which, prior to the Senior Discharge Date, the prior consent of the Majority Senior Creditors is obtained and after the Senior Discharge Date the prior consent of the Subordinated Secured Creditors is obtained.

6.12 Restriction on Enforcement: Subordinated Creditors

Subject to Clause 6.14 (Permitted Enforcement: Subordinated Creditors) to Clause 6.16 (Permitted Enforcement: Subordinated Unsecured Creditors), no Subordinated Creditor shall be entitled to take any Enforcement Action in respect of any of the Subordinated Liabilities or in respect of the Subordinated Security or in respect of the Subordinated Unsecured Creditor Guarantees at any time prior to the Senior Discharge Date.

6.13 Restriction on Enforcement: Subordinated Unsecured Creditors

Subject to Clause 6.16 (Permitted Enforcement: Subordinated Unsecured Creditors), no Subordinated Unsecured Creditor shall be entitled to take any Enforcement Action in respect of any of the Subordinated Unsecured Liabilities or in respect of the Subordinated Unsecured Creditor Guarantees at any time prior to the Subordinated Secured Creditor Discharge Date.

6.14 Permitted Enforcement: Subordinated Creditors

- (a) This Clause 6.14 shall apply prior to the Senior Discharge Date.
- (b) If a Senior Acceleration Event has occurred and is continuing a Subordinated Creditor may take the same Enforcement Action (but in respect of the Subordinated Liabilities) as constitutes that Senior Acceleration Event.
- (c) After the occurrence of an Insolvency Event in relation to any member of the Group, each Subordinated Creditor may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Subordinated Creditor in accordance with Clause 7.4 (Filing of claims)) exercise any right it may otherwise have in respect of that member of the Group to:
 - (i) accelerate any of that member of the Group's Subordinated Liabilities or declare them prematurely due and payable or payable on demand;
 - (ii) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Subordinated Liabilities;
 - (iii) exercise any right of set-off or take or receive any Payment in respect of any Subordinated Liabilities of that member of the Group; or
 - (iv) claim and prove in any insolvency process of that member of the Group for the Subordinated Liabilities owing to it.

6.15 Permitted Enforcement: Subordinated Secured Creditors

After the Subordinated Secured Creditor Repayment Date (and, for the avoidance of doubt, irrespective of whether the Senior Discharge Date has occurred or not) the Subordinated Secured Creditors may take Enforcement Action which would be available to it but for Clause

6.12 (Restriction on Enforcement: Subordinated Creditors) in respect of any of the Subordinated Secured Liabilities if at the same time as, or prior to, that action:

- (a) the Subordinated Secured Creditors have given notice (an “**Enforcement Notice**”) to the Security Agent specifying that an event of default under the Subordinated Secured Loan Note Instrument has occurred and is continuing (a “**Subordinated Event of Default**”) and that the Subordinated Secured Creditors intend to take such Enforcement Action; and
- (b) a period (a “**Standstill Period**”) of not less than 60 days has elapsed from the date on which that Enforcement Notice is received by the Security Agent and that Subordinated Event of Default is continuing at the end of the Standstill Period.

6.16 Permitted Enforcement: Subordinated Unsecured Creditors

- (a) This Clause 6.16 shall only apply after the Senior Discharge Date has occurred.
- (b) If a Subordinated Secured Creditor Acceleration Event has occurred and is continuing a Subordinated Unsecured Creditor may take the same Enforcement Action (but in respect of the Subordinated Unsecured Liabilities) as constitutes that Subordinated Secured Creditor Acceleration Event.
- (c) After the occurrence of an Insolvency Event in relation to any member of the Group, each Subordinated Unsecured Creditor may (unless otherwise directed by the Subordinated Secured Creditors or unless the Subordinated Secured Creditors have taken, or has given notice that it intends to take, action on behalf of that Subordinated Unsecured Creditor in accordance with Clause 7.5 (Filing of claims)) exercise any right it may otherwise have in respect of that member of the Group to:
 - (i) accelerate any of that member of the Group’s Subordinated Unsecured Liabilities or declare them prematurely due and payable or payable on demand;
 - (ii) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Subordinated Unsecured Liabilities;
 - (iii) exercise any right of set-off or take or receive any Payment in respect of any Subordinated Unsecured Liabilities of that member of the Group; or
 - (iv) claim and prove in any insolvency process of that member of the Group for the Subordinated Unsecured Liabilities owing to it.

6.17 Representations: Subordinated Creditors

Each Subordinated Creditor represents and warrants to the Senior Creditors and the Security Agent and each Subordinated Unsecured Creditor represents and warrants to the Subordinated Secured Creditors that:

- (a) it is a corporation, (other than the Original Subordinated Secured Creditor and the Original Subordinated Unsecured Creditor) duly incorporated or formed and validly existing under the laws of its jurisdiction of incorporation or formation;
- (b) the obligations expressed to be assumed by it in this Agreement are, subject to any general principles of law limiting its obligations which are applicable to creditors generally, legal, valid, binding and enforceable obligations; and
- (c) the entry into and performance by it of this Agreement does not and will not:
 - (i) conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding upon it or any of its assets; or
 - (ii) constitute a default or termination event (however described) under any agreement or instrument binding on it or any of its assets.

SECTION 4 - INSOLVENCY, TURNOVER AND ENFORCEMENT

7 EFFECT OF INSOLVENCY EVENT

7.1 Distributions

- (a) After the occurrence of an Insolvency Event in relation to any member of the Group, any Party entitled to receive a distribution out of the assets of that member of the Group in respect of Liabilities owed to that Party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution (i) prior to the Senior Discharge Date, to the Security Agent (or to such other person as the Security Agent shall direct) until the Liabilities owing to the Secured Parties have been paid in full and (ii) after the Senior Discharge Date, to the Subordinated Secured Creditors (or to such other person as the Subordinated Secured Creditors shall direct) until the Liabilities owing to the Subordinated Secured Creditors have been paid in full.
- (b) Prior to the Senior Discharge Date, the Security Agent shall apply distributions made to it under paragraph (a) above in accordance with Clause 16 (Application of Proceeds) and after the Senior Discharge Date, the Subordinated Secured Creditors shall apply distributions made to it under paragraph (a) above in accordance with Clause 16 (Application of Proceeds).

7.2 Set-Off

- (a) Subject to paragraph (b) below, to the extent that any member of the Group's Liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any Creditor which benefited from that set-off shall pay an amount equal to the amount of the Liabilities owed to it which are discharged by that set-off: (i) before the Senior Discharge Date, to the Security Agent and (ii) after the Senior Discharge Date, to the Subordinated Secured Creditor, in each case for application in accordance with Clause 16 (Application of Proceeds).
- (b) Paragraph (a) above shall not apply to:
 - (i) any Close-Out Netting by a Hedge Counterparty;
 - (ii) any Payment Netting by a Hedge Counterparty; and
 - (iii) any Inter-Hedging Agreement Netting by a Hedge Counterparty.

7.3 Non-cash distributions

If the Security Agent or any other holder of Security in respect of any member of the Group receives a distribution in the form of Non-Cash Consideration in respect of any of the

Liabilities (other than any distribution of Non-Cash Recoveries), the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities.

7.4 Filing of claims

Prior to the Senior Discharge Date, after the occurrence of an Insolvency Event in relation to any member of the Group, each Creditor (excluding the Original Subordinated Secured Creditor but including any assignee or transferee of the Original Subordinated Secured Creditor which has acceded to this Agreement in accordance with Clause 19.2 (Change of Subordinated Creditor) irrevocably authorises the Security Agent, on its behalf, to:

- (a) take any Enforcement Action (in accordance with the terms of this Agreement) against that member of the Group;
- (b) demand, sue, prove and give receipt for any or all of that member of the Group's Liabilities;
- (c) collect and receive all distributions on, or on account of, any or all of that member of the Group's Liabilities; and
- (d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Group's Liabilities.

7.5 Filing of claims

After the Senior Discharge Date, after the occurrence of an Insolvency Event in relation to any member of the Group, each Creditor (other than the Subordinated Secured Creditor) irrevocably authorises the Subordinated Secured Creditor, on its behalf, to:

- (a) take any Enforcement Action (in accordance with the terms of this Agreement) against that member of the Group;
- (b) demand, sue, prove and give receipt for any or all of that member of the Group's Liabilities;
- (c) collect and receive all distributions on, or on account of, any or all of that member of the Group's Liabilities; and
- (d) file claims, take proceedings and do all other things the Subordinated Secured Creditors consider reasonably necessary to recover that member of the Group's Liabilities.

7.6 Further assurance – Insolvency Event

Prior to the Senior Discharge Date, each Creditor (excluding the Original Subordinated Secured Creditor but including any assignee or transferee of the Original Subordinated Secured Creditor which has acceded to this Agreement in accordance with Clause 19.2 (Change of Subordinated Creditor) will:

- (a) do all things that the Security Agent requests in order to give effect to this Clause 7; and
- (b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 7 or if the Security Agent requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action.

7.7 Further assurance – Insolvency Event after the Senior Discharge Date

After the Senior Discharge Date, each Creditor (other than the Senior Creditors) will:

- (a) do all things that the Subordinated Secured Creditors request in order to give effect to this Clause 7.6; and
- (b) if the Subordinated Secured Creditors are not entitled to take any of the actions contemplated by this Clause 7.6 or if the Subordinated Secured Creditors request that a Creditor take that action, undertake that action itself in accordance with the instructions of the Subordinated Secured Creditors or grant a power of attorney to the Subordinated Secured Creditors (on such terms as the Subordinated Secured Creditors may reasonably require) to enable the Subordinated Secured Creditors to take such action.

7.8 Security Agent instructions

For the purposes of Clause 7.1 (Distributions), Clause 7.4 (Filing of claims) and Clause 7.5 (Further assurance – Insolvency Event) the Security Agent shall act:

- (a) on the instructions of the group of Senior Creditors entitled, at that time, to give instructions under Clause 10.1 (Enforcement Instructions) or Clause 10.2 (Manner of enforcement); or
- (b) in the absence of any such instructions, as the Security Agent sees fit.

8 TURNOVER OF RECEIPTS

8.1 Turnover by the Creditors

Subject to Clause 8.2 (Exclusions) and to Clause 8.3 (Permitted assurance and receipts), if (i) at any time prior to the Senior Discharge Date, any Creditor receives or recovers or (ii) at any

time after the Senior Discharge Date but before the Subordinated Secured Creditor Discharge Date, any Creditor receives or recovers:

- (a) any Payment or distribution of, or on account of or in relation to, any of the Liabilities which is neither:
 - (i) a Permitted Payment; nor
 - (ii) made in accordance with Clause 16 (Application of Proceeds);
- (b) other than where paragraph (a) of Clause 7.2 (Set-Off) applies, any amount by way of set-off in respect of any of the Liabilities owed to it which does not give effect to a Permitted Payment;
- (c) notwithstanding paragraphs (a) and (b) above, and other than where paragraph (a) of Clause 7.2 (Set-Off) applies, any amount:
 - (i) on account of, or in relation to, any of the Liabilities:
 - (A) after the occurrence of a Distress Event; or
 - (B) as a result of any other litigation or proceedings against a member of the Group (other than after the occurrence of an Insolvency Event in respect of that member of the Group); or
 - (ii) by way of set-off in respect of any of the Liabilities owed to it after the occurrence of a Distress Event,other than, in each case, any amount received or recovered in accordance with Clause 16 (Application of Proceeds);
- (d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 16 (Application of Proceeds); or
- (e) other than where paragraph (a) of Clause 7.2 (Set-Off) applies, any distribution or Payment of, or on account of or in relation to, any of the Liabilities owed by any member of the Group which is not in accordance with Clause 16 (Application of Proceeds) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of the Group,

that Creditor will:

- (i) in relation to receipts and recoveries not received or recovered by way of set-off:

- (A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) (i) before the Senior Discharge Date on trust for the Security Agent and promptly pay or distribute that amount to the Security Agent for application in accordance with the terms of this Agreement and (ii) after the Senior Discharge Date but before the Subordinated Secured Creditor Discharge Date, on trust for the Subordinated Secured Creditors and promptly pay or distribute that amount to the Subordinated Secured Creditors for application in accordance with the terms of this Agreement; and
 - (B) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities (i) before the Senior Discharge Date, to the Security Agent for application in accordance with the terms of this Agreement and (ii) after the Senior Discharge Date but before the Subordinated Secured Creditor Discharge Date, to the Subordinated Secured Creditors for application in accordance with the terms of this Agreement; and
- (i) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery (i) before the Senior Discharge Date, to the Security Agent for application in accordance with the terms of this Agreement and (ii) after the Senior Discharge Date but before the Subordinated Secured Creditor Discharge Date, to the Subordinated Secured Creditors for application in accordance with the terms of this Agreement.

8.2 Exclusions

Clause 8.1 (Turnover by the Creditors) shall not apply to any receipt or recovery:

- (a) by way of:
 - (i) Close-Out Netting by a Hedge Counterparty;
 - (ii) Payment Netting by a Hedge Counterparty;
 - (iii) Inter-Hedging Agreement Netting by a Hedge Counterparty; or
- (b) made in accordance with Clause 17 (Equalisation).

8.3 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Senior Creditor or Subordinated Creditor to:

(a) arrange with any person which is not a member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, a Debtor (including assurance by way of credit based derivative or sub-participation); or

(b) make any assignment or transfer permitted by Clause 19 (Changes to the Parties),

which:

(i) is permitted by the Senior Facilities Agreement: and

(ii) is not in breach of:

(A) Clause 4.5 (No acquisition of Hedging Liabilities); or

(B) Clause 6.6 (No acquisition of Subordinated Liabilities),

and that Senior Creditor or Subordinated Creditor shall not be obliged to account to any other Party for any sum received by it as a result of that action.

8.4 Amounts received by Debtors prior to the Senior Discharge Date

Prior to the Senior Discharge Date, if any of the Debtors receives or recovers any amount which, under the terms of any of the Debt Documents, should have been paid to the Security Agent, that Debtor will:

(a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement; and

(b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Agreement.

8.5 Amounts received by Debtors after the Senior Discharge Date but Prior to the Subordinated Secured Creditor Discharge Date

After the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, if any of the Debtors receives or recovers any amount which, under the terms of any of the Debt Documents, should have been paid to the Subordinated Secured Creditors, that Debtor will:

(a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Subordinated Secured

Creditors and promptly pay that amount to the Subordinated Secured Creditors for application in accordance with the terms of this Agreement; and

- (b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Subordinated Secured Creditors for application in accordance with the terms of this Agreement.

8.6 **Saving provision**

If, for any reason, any of the trusts expressed to be created in this Clause 8 should fail or be unenforceable, the affected Creditor or Debtor will promptly pay or distribute an amount equal to that receipt or recovery (i) prior to the Senior Discharge Date, to the Security Agent to be held on trust by the Security Agent for application in accordance with the terms of this Agreement and (ii) after the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, to the Subordinated Secured Creditors to be held on trust by the Subordinated Secured Creditors for application in accordance with the terms of this Agreement.

8.7 **Turnover of Non-Cash Consideration**

For the purposes of this Clause 8, if any Creditor receives or recovers any amount or distribution in the form of Non-Cash Consideration which is subject to Clause 8.1 (Turnover by the Creditors) the cash value of that Non-Cash Consideration shall be determined in accordance with Clause 13.2 (Cash value of Non-Cash Recoveries).

9 **REDISTRIBUTION**

9.1 **Recovering Creditor's rights**

- (a) Any amount paid or distributed by a Creditor (a **"Recovering Creditor"**) to the Security Agent under Clause 7 (Effect of Insolvency Event) or Clause 8 (Turnover of Receipts) shall be treated as having been paid or distributed by the relevant Debtor and shall be applied by the Security Agent in accordance with Clause 16 (Application of Proceeds).
- (b) On an application by the Security Agent pursuant to Clause 16 (Application of Proceeds) of a Payment or distribution received by a Recovering Creditor from a Debtor, as between the relevant Debtor and the Recovering Creditor an amount equal to the amount received or recovered by the Recovering Creditor and paid or distributed to the Security Agent by the Recovering Creditor (the **"Shared Amount"**) will be treated as not having been paid or distributed by that Debtor.

9.2 **Reversal of redistribution**

- (a) If any part of the Shared Amount received or recovered by a Recovering Creditor becomes repayable or returnable to a Debtor and is repaid or returned by that Recovering Creditor to that Debtor, then:
 - (i) each Party that received any part of that Shared Amount pursuant to an application by the Security Agent of that Shared Amount under Clause 9.1 (Recovering Creditor's rights) (a "**Sharing Party**") shall, upon request of the Security Agent, pay or distribute to the Security Agent for the account of that Recovering Creditor an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Creditor for its proportion of any interest on the Shared Amount which that Recovering Creditor is required to pay) (the "**Redistributed Amount**"); and
 - (ii) as between the relevant Debtor and each relevant Sharing Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid or distributed by that Debtor.
- (b) The Security Agent shall not be obliged to pay or distribute any Redistributed Amount to a Recovering Creditor under paragraph (a)(i) above until it has been able to establish to its satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Party.

9.3 **Deferral of subrogation**

No Creditor or Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities set out in Clause 2 (Ranking and Priority) until such time as all of the Liabilities owing to each prior ranking Creditor (or, in the case of any Debtor, owing to each Creditor (other than a Subordinated Creditor)) have been irrevocably discharged in full.

10 **ENFORCEMENT OF TRANSACTION SECURITY**

10.1 **Enforcement Instructions**

- (a) The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by the Majority Senior Creditors.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms the Majority Senior Creditors may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.

- (c) The Security Agent is entitled to rely on and comply with instructions given in accordance with this Clause 10.1.

10.2 Manner of enforcement

If the Transaction Security is being enforced pursuant to Clause 10.1 (Enforcement Instructions), the Security Agent shall enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator (or any analogous officer in any jurisdiction) of any Debtor to be appointed by the Security Agent) as the Majority Senior Creditors shall instruct or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate.

10.3 Exercise of voting rights

- (a) Each Creditor (other than the Agent and also excluding the Original Subordinated Secured Creditor but including any assignee or transferee of the Original Subordinated Secured Creditor which has acceded to this Agreement in accordance with Clause 19.2 (Change of Subordinated Creditor)) will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.
- (b) The Security Agent shall give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the Majority Senior Creditors.

10.4 Waiver of rights

To the extent permitted under applicable law and subject to Clause 10.1 (Enforcement Instructions), Clause 10.2 (Manner of enforcement), Clause 12.5 (Fair Value) and Clause 16 (Application of Proceeds), each of the Secured Parties and the Debtors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

10.5 Enforcement through Security Agent only

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Senior Security or to exercise any right, power, authority or discretion arising under the Senior Security Documents (other than the Senior Facilities Agreement) except through the Security Agent.

SECTION 5 - NON-DISTRESSED DISPOSALS, DISTRESSED DISPOSALS AND CLAIMS

11 NON-DISTRESSED DISPOSALS

11.1 Definitions

In this Clause 11:

(a) **“Disposal Proceeds”** means the proceeds of a Non-Distressed Disposal; and

(b) **“Non-Distressed Disposal”** means a disposal of:

- (i) an asset of a member of the Group; or
- (ii) an asset which is subject to the Transaction Security.

to a person or persons outside the Group where:

(A) prior to the Senior Discharge Date, the Agent notifies the Security Agent that that disposal is permitted under the Senior Finance Documents; and

(B) that disposal is not a Distressed Disposal.

11.2 Facilitation of Non-Distressed Disposals

(a) If a disposal of an asset is a Non-Distressed Disposal, the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor) but subject to paragraph (b) below:

- (i) to release the Transaction Security or any other claim (relating to a Debt Document) over that asset;
- (ii) where that asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's Property; and
- (iii) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraphs (i) and (ii) above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable.

(b) Each release of Transaction Security or any claim described in paragraph (a) above shall become effective only on the making of the relevant Non-Distressed Disposal.

11.3 Disposal Proceeds

If any Disposal Proceeds are required to be applied in mandatory prepayment of the Senior Facility Liabilities then, subject to Clause 14.4 (Adjustment of Mandatory Prepayments), those Disposal Proceeds shall be applied in or towards Payment of the Senior Facility Liabilities in accordance with the terms of the Senior Facilities Agreement and the consent of any other Party shall not be required for that application.

12 DISTRESSED DISPOSALS AND APPROPRIATION

12.1 Facilitation of Distressed Disposals and Appropriation

Subject to Clause 6.11 (Restriction on Enforcement: Subordinated Creditors), if a Distressed Disposal or an Appropriation is being effected the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor):

- (a) ***release of Transaction Security/non-crystallisation certificates***: to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal or Appropriation and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (b) ***release of liabilities and Transaction Security on a share sale/Appropriation (Debtor)***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor, to release:
 - (i) that Debtor and any Subsidiary of that Debtor from all or any part of:
 - (A) its Borrowing Liabilities;
 - (B) its Guarantee Liabilities; and
 - (C) its Other Liabilities;
 - (ii) any Transaction Security granted by that Debtor or any Subsidiary of that Debtor over any of its assets; and
 - (iii) any other claim of a Subordinated Creditor, an Intra-Group Lender, or another Debtor over that Debtor's assets or over the assets of any Subsidiary of that Debtor,

on behalf of the relevant Creditors and Debtors;

(c) ***release of liabilities and Transaction Security on a share sale/Appropriation (Holding Company)***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of any Holding Company of a Debtor, to release:

- (i) that Holding Company and any Subsidiary of that Holding Company from all or any part of:
 - (A) its Borrowing Liabilities;
 - (B) its Guarantee Liabilities; and
 - (C) its Other Liabilities;
- (ii) any Transaction Security granted by any Subsidiary of that Holding Company over any of its assets; and
- (iii) any other claim of a Subordinated Creditor, an Intra-Group Lender or another Debtor over the assets of any Subsidiary of that Holding Company,

on behalf of the relevant Creditors and Debtors;

(d) ***facilitative disposal of liabilities on a share sale/Appropriation***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor and the Security Agent decides to dispose of all or any part of:

- (i) the Liabilities (other than Liabilities due to the Agent); or
- (ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables (the "**Transferee**") will not be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Creditors and Debtors **provided that** notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement;

(e) ***sale of liabilities on a share sale/Appropriation***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor and the Security Agent decides to dispose of all or any part of:

- (i) the Liabilities (other than Liabilities due to the Agent); or
- (ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables will be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement, to execute and deliver or enter into any agreement to dispose of:

- (A) all (and not part only) of the Liabilities owed to the Senior Creditors (other than to the Agent); and
- (B) all or part of any other Liabilities (other than Liabilities owed to the Agent) and the Debtors' Intra-Group Receivables,

on behalf of, in each case, the relevant Creditors and Debtors:

- (f) ***transfer of obligations in respect of liabilities on a share sale/Appropriation:*** if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:

- (i) the Intra-Group Liabilities; or
- (ii) the Debtors' Intra-Group Receivables,

to execute and deliver or enter into any agreement to:

- (iii) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Intra-Group Lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
- (iv) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables are to be transferred.

12.2 Form of consideration for Distressed Disposals and Debt Disposals

A Distressed Disposal or a Debt Disposal may be made in whole or in part for consideration in the form of cash or, if not for cash, for Non-Cash Consideration which is acceptable to the Security Agent.

12.3 Proceeds of Distressed Disposals and Debt Disposals

The net proceeds of each Distressed Disposal and each Debt Disposal shall be paid, or distributed, to the Security Agent for application in accordance with Clause 16 (Application of Proceeds) and, to the extent that:

- (a) any Liabilities Sale has occurred; or
- (b) any Appropriation has occurred,

as if that Liabilities Sale, or any reduction in the Secured Obligations resulting from that Appropriation, had not occurred.

12.4 Security Agent's actions

For the purposes of Clause 12.1 (Facilitation of Distressed Disposals and Appropriation), Clause 12.2 (Form of consideration for Distressed Disposals and Debt Disposals), Clause 12.5 (Fair value) and Clause 12.6 (Fair value – safe harbours) the Security Agent shall act:

- (a) in the case of an Appropriation or if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Security, in accordance with Clause 10.2 (Manner of enforcement); and
- (b) in any other case:
 - (i) on the instructions of the Majority Senior Creditors; or
 - (ii) in the absence of any such instructions, as the Security Agent sees fit.

12.5 Fair Value

In the case of:

- (a) a Distressed Disposal; or
- (b) a Liabilities Sale,

effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market value having regard to the prevailing market conditions (though the Security Agent shall have no obligation to postpone (or request the postponement of) any Distressed Disposal or Liabilities Sale in order to achieve a higher value).

12.6 Fair value – safe harbours

- (a) The Security Agent may seek to satisfy the requirement in Clause 12.5 (Fair value) in any manner.
- (b) Without prejudice to the generality of paragraph (a) above, the requirement in Clause 12.5 (Fair value) shall be satisfied (and as between the Creditors and the Debtors shall be conclusively presumed to be satisfied) and the Security Agent will be taken to have discharged all its obligations in this respect under this Agreement, the other Debt Documents and generally at law if:
 - (i) that Distressed Disposal or Liabilities Sale is made pursuant to any process or proceedings approved or supervised by or on behalf of any court of law;
 - (ii) that Distressed Disposal or Liabilities Sale is made by, at the direction of or under the control of, a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer (or any analogous officer in any jurisdiction) appointed in respect of a member of the Group or the assets of a member of the Group;
 - (iii) that Distressed Disposal or Liabilities Sale is made pursuant to a Competitive Sales Process; or
 - (iv) a Financial Adviser appointed by the Security Agent pursuant to Clause 12.7 (Appointment of Financial Adviser) has delivered a Fairness Opinion to the Security Agent in respect of that Distressed Disposal or Liabilities Sale.

12.7 Appointment of Financial Adviser

- (a) Without prejudice to Clause 18.7 (Rights and discretions), the Security Agent may engage, or approve the engagement of, (in each case on such terms as it may consider appropriate (including, without limitation, restrictions on that Financial Adviser's liability and the extent to which any advice, valuation or opinion may be relied on or disclosed)), pay for and rely on the services of a Financial Adviser to provide advice, a valuation or an opinion in connection with:
 - (i) a Distressed Disposal or a Debt Disposal;
 - (ii) the application or distribution of any proceeds of a Distressed Disposal or a Debt Disposal; or
 - (iii) any amount of Non-Cash Consideration which is subject to Clause 8.1 (Turnover by the Creditors).
- (b) For the purposes of paragraph (a) above, the Security Agent shall act:

- (i) on the instructions of the Majority Senior Creditors if the Financial Adviser is providing a valuation for the purposes of Clause 13.2 (Cash value of Non-Cash Recoveries); or
- (ii) in accordance with Clause 12.4 (Security Agent's actions).

13 NON-CASH RECOVERIES

13.1 Security Agent and Non-Cash Recoveries

To the extent the Security Agent receives or recovers any Non-Cash Recoveries, it may (acting on the instructions of the Majority Senior Creditors) but without prejudice to its ability to exercise discretion under Clause 16.2 (Prospective liabilities)):

- (a) distribute those Non-Cash Recoveries pursuant to Clause 16 (Application of proceeds) as if they were Cash Proceeds;
- (b) hold, manage, exploit, collect, realise and dispose of those Non-Cash Recoveries; and
- (c) hold, manage, exploit, collect, realise and distribute any resulting Cash Proceeds.

13.2 Cash value of Non-Cash Recoveries

- (a) Where the Security Agent has appointed a Financial Adviser pursuant to Clause 12.6(b)(iv), the cash value of any Non-Cash Recoveries shall be determined by reference to a valuation obtained by the Security Agent from that Financial Adviser taking into account any notional conversion made pursuant to Clause 16.4 (Currency conversion).
- (b) If any Non-Cash Recoveries are distributed pursuant to Clause 16 (Application of proceeds), the extent to which such distribution is treated as discharging the Liabilities shall be determined by reference to the cash value of those Non-Cash Recoveries determined pursuant to paragraph (a) above.

13.3 Agent and Non-Cash Recoveries

- (a) Subject to paragraph (b) below, if, pursuant to Clause 16.1 (Order of application), the Agent receives Non-Cash Recoveries for application towards the discharge of any Liabilities, the Agent shall apply those Non-Cash Recoveries in accordance with the Senior Facilities Agreement as if they were Cash Proceeds.
- (b) The Agent may:
 - (i) use any reasonably suitable method of distribution, as it may determine in its discretion, to distribute those Non-Cash Recoveries in the order of

priority that would apply under the Senior Facilities Agreement if those Non-Cash Recoveries were Cash Proceeds;

- (ii) hold any Non-Cash Recoveries through another person; and
- (iii) hold any amount of Non-Cash Recoveries for so long as the Agent shall think fit for later application pursuant to paragraph (a) above.

13.4 Security Agent protection

- (a) No Distressed Disposal or Debt Disposal may be made in whole or part for Non-Cash Consideration if the Security Agent has reasonable grounds for believing that its receiving, distributing, holding, managing, exploiting, collecting, realising or disposing of that Non-Cash Consideration would have an adverse effect on it.
- (b) If Non-Cash Consideration is distributed to the Security Agent pursuant to Clause 8.1 (Turnover by the Creditors) the Security Agent may, at any time after notifying the Creditors entitled to that Non-Cash Consideration and notwithstanding any instruction from a Creditor or group of Creditors pursuant to the terms of any Debt Document, immediately realise and dispose of that Non-Cash Consideration for cash consideration (and distribute any Cash Proceeds of that Non-Cash Consideration to the relevant Creditors in accordance with Clause 16 (Application of Proceeds)) if the Security Agent has reasonable grounds for believing that holding, managing, exploiting or collecting that Non-Cash Consideration would have an adverse effect on it.

14 ACQUISITION AND INSURANCE CLAIMS

14.1 Facilitation of claims

- (a) In this Clause 14.1 "Acquisition" has the meaning given to that term in the Senior Facilities Agreement.
- (b) So long as the requirements of Clause 14.2 (Mandatory prepayment of Proceeds) and, in the case of a claim against the provider of any Report, the requirements of Clause 14.3 (Recoveries from Report Providers) are met, if any claim relating to the Acquisition or insurance claim is to be made, or is made, by a Debtor prior to a Distress Event and that claim or that insurance claim (or any proceeds of that claim or insurance claim (the "**Proceeds**")) is or are expressed to be subject to the Transaction Security, the Security Agent is irrevocably authorised (at the cost of the relevant Debtor or the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor) to:
 - (i) give a consent under or release the Transaction Security, or any other claim, over the relevant document or insurance policy solely to the extent necessary to allow that Debtor to make that claim or that insurance claim

and to comply with that Debtor's obligations in respect of that claim or that insurance claim and any Proceeds under the Senior Facilities Agreement; and

- (ii) execute and deliver or enter into any such consent under or release of that Transaction Security, or claim, that may, in the discretion of the Security Agent, be considered necessary or desirable.

14.2 **Mandatory prepayment of Proceeds**

If any Proceeds are required to be applied in mandatory prepayment of the Senior Facility Liabilities then, subject to Clause 14.4 (Adjustment of Mandatory Prepayments), those Proceeds shall be applied in or towards Payment of the Senior Facility Liabilities in accordance with the terms of the Senior Facilities Agreement and the consent of any other Party shall not be required for that application.

14.3 **Recoveries from Report Providers**

- (a) In this Clause 14.3:

"Award Proceeds" means, in relation to a Net Award, an amount equal to that Net Award;

"Net Award" means any amount received or recovered by any Party in relation to any Proceedings less reasonable legal costs and expenses incurred by that Party in pursuing such Proceedings and any tax payable by that Party directly as a result of that receipt or recovery;

"Proceedings" means any litigation, arbitration, proceedings or claim against a Report Provider with a view to obtaining a recovery from that Report Provider; and

"Report Provider" means any professional adviser or other person who has provided a Report.

- (b) If any Party decides to commence Proceedings in relation to, or resulting from, any of the transactions contemplated by the Debt Documents, it will:
 - (i) give the other Parties reasonable prior notice (through the Security Agent) of its intention to do so;
 - (ii) give each other Party and any insolvency representative appointed under, or pursuant to the terms of, any Senior Finance Document or Hedging Agreement a reasonable opportunity to be joined into such Proceedings or initiate similar proceedings; and

- (iii) co-operate with any such persons who are joined in as regards the efficient and effective conduct of such Proceedings,

and, in any event, no Party shall at any time waive any right or claim against any Report Provider without the prior written consent of the Security Agent.

- (c) Notwithstanding any other provision in the Debt Documents, no Debtor or Subordinated Creditor may initiate Proceedings unless and until the Security Agent has given its prior written consent in accordance with paragraph (b) above.
- (d) If no Distress Event has occurred at the time of receipt of a Net Award, and the Senior Facilities Agreement requires Award Proceeds obtained by the Company to be applied in mandatory prepayment of the Senior Facility Liabilities, the recipient of that Net Award (if not the Company) shall pay the Award Proceeds to the Company for application in accordance, subject to Clause 14.4 (Adjustment of Mandatory Prepayments), with the Senior Facilities Agreement.
- (e) If a Distress Event has occurred at the time of receipt of a Net Award, the recipient of that Net Award shall pay the Award Proceeds to the Security Agent and the Security Agent shall apply those Award Proceeds in accordance with Clause 16 (Application of Proceeds).
- (f) This Clause 14.3 shall apply until the Senior Discharge Date.

14.4 **Adjustment of Mandatory Prepayments**

If the making of any Mandatory Prepayment (an “**Original Mandatory Prepayment**”) would result in a payment (a “**Hedge Reduction Payment**”) becoming due to any Hedge Counterparty pursuant to paragraph (d) of Clause 4.13 (Total Interest Rate Hedging), the amount of that Mandatory Prepayment will be reduced so that the aggregate of:

- (a) the reduced Mandatory Prepayment; and
- (b) each Hedge Reduction Payment which would result from that reduced Mandatory Prepayment

is equal to the amount of the Original Mandatory Prepayment.

15 **FURTHER ASSURANCE – DISPOSALS AND RELEASES**

Each Creditor (excluding the Original Subordinated Secured Creditor but including any assignee or transferee of the Original Subordinated Secured Creditor which has acceded to this Agreement in accordance with Clause 19.2 (Change of Subordinated Creditor) and Debtor will:

- (a) do all things that the Security Agent requests in order to give effect to Clause 11 (Non-Distressed Disposals), Clause 12 (Distressed Disposals and Appropriation) and Clause 14 (Acquisition and insurance claims) (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases or disposals contemplated by those Clauses); and
- (b) if the Security Agent is not entitled to take any of the actions contemplated by those Clauses or if the Security Agent requests that any Creditor or Debtor take any such action, take that action itself in accordance with the instructions of the Security Agent,

provided that the proceeds of those disposals are applied in accordance with Clause 11 (Non-Distressed Disposals) or Clause 12 (Distressed Disposals and Appropriation) as the case may be.

SECTION 6 - PROCEEDS

16 APPLICATION OF PROCEEDS

16.1 Order of application

Subject to Clause 16.2 (Prospective liabilities), all amounts from time to time received or recovered by the Security Agent or any Subordinated Creditor in each case pursuant to the terms of any Debt Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 16, the **"Recoveries"**) shall be held by the Security Agent on trust 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 16), in the following order of priority:

- (a) in discharging any sums owing to the Security Agent, any Receiver or any Delegate;
- (b) in discharging all costs and expenses incurred by any Senior Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under Clause 7.5 (Further assurance – Insolvency Event);

- (c) in payment or distribution to:

- (i) the Agent on its own behalf and on behalf of the other Senior Facility Creditors; and
 - (ii) the Hedge Counterparties,

for application towards the discharge of:

- (A) the Senior Facility Liabilities (in accordance with the terms of the Senior Finance Documents); and
 - (B) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty);

on a pro rata basis between paragraph (A) above and paragraph (B) above;

- (d) in payment or distribution to the Subordinated Secured Creditors for application towards the discharge of the Subordinated Secured Liabilities;
- (e) in discharging all costs and expenses incurred by the Subordinated Secured Creditors in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement or any action taken at the request of the Subordinated Secured Creditors under Clause 7.7 (Further assurance – Insolvency Event);

- (f) in payment or distribution to the Subordinated Unsecured Creditors for application towards the discharge of the Subordinated Unsecured Liabilities;
- (g) if none of the Debtors is under any further actual or contingent liability under any Senior Finance Document, Hedging Agreement or any Subordinated Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and
- (h) the balance, if any, in payment or distribution to the relevant Debtor.

16.2 Prospective liabilities

Following a Senior Distress Event the Security Agent may, in its discretion:

- (a) hold any amount of the Recoveries which is in the form of cash, and any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any Non-Cash Consideration, in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with such financial institution (including itself) as the Security Agent shall think fit (the interest being credited to the relevant account); and
- (b) hold, manage, exploit, collect and realise any amount of the Recoveries which is in the form of Non-Cash Consideration,

in each case for so long as the Security Agent shall think fit for later application under Clause 16.1 (Order of application) in respect of:

- (i) any sum to any Security Agent, any Receiver or any Delegate; and
- (ii) any part of the Liabilities,

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

16.3 Investment of Cash Proceeds

- (a) Prior to the Senior Discharge Date, prior to the application of the proceeds of the Security Property in accordance with Clause 16.1 (Order of application) the Security Agent may, in its discretion, hold all or part of any Cash Proceeds in one or more interest bearing suspense or impersonal accounts 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 monies in the Security Agent's discretion in accordance with the provisions of this Clause 16.

- (b) After the Senior Discharge Date but before the Subordinated Secured Creditor Discharge Date, prior to the application of the proceeds of the Security Property in accordance with Clause 16.1 (Order of application) the Subordinated Secured Creditors may, in their discretion, hold all or part of any Cash Proceeds in one or more interest bearing suspense or impersonal accounts in the name of the Subordinated Secured Creditors with such financial institution (including itself) and for so long as the Subordinated Secured Creditors shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Subordinated Secured Creditor's discretion in accordance with the provisions of this Clause 16.

16.4 **Currency conversion**

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may:
 - (i) convert any moneys received or recovered by the Security Agent (including, without limitation, any Cash Proceeds) from one currency to another, at the Security Agent's Spot Rate of Exchange; and
 - (ii) notionally convert the valuation provided in any opinion or valuation from one currency to another, at the Security Agent's Spot Rate of Exchange.
- (b) The obligations of any Debtor to pay in the due currency shall only be satisfied:
 - (i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and
 - (ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

16.5 **Permitted Deductions**

The Security Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and 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 exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

16.6 Good Discharge

- (a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent:
 - (i) *may be made to the Agent on behalf of its Senior Creditors; or*
 - (ii) shall be made directly to the Hedge Counterparties.
- (b) Any distribution or payment made as described in paragraph (a) above shall be a good discharge, to the extent of that payment or distribution, by the Security Agent:
 - (i) in the case of a payment made in cash, to the extent of that payment; and
 - (ii) in the case of a distribution of Non-Cash Recoveries in circumstances where the Security Agent has appointed a Financial Adviser pursuant to Clause 12.6(b)(iv), as determined by Clause 13.2 (Cash value of Non-Cash Recoveries).

16.7 Calculation of Amounts

For the purpose of calculating any person's share of any amount payable to or by it, the Security Agent shall be entitled to:

- (a) notionally convert the Liabilities owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot rate at which the Security Agent is able to purchase the notional base currency with the actual currency of the Liabilities owed to that person at the time at which that calculation is to be made; and
- (b) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Liabilities in accordance with the terms of the Debt Documents under which those Liabilities have arisen.

17 EQUALISATION

17.1 Equalisation Definitions

For the purposes of this Clause 17:

"Enforcement Date" means the first date (if any) on which a Senior Creditor takes enforcement action of the type described in paragraphs (a)(i), (a)(iii), (a)(iv) or (c) of the definition of **"Enforcement Action"** in accordance with the terms of this Agreement.

"Exposure" means:

- (a) in relation to a Senior Lender, the aggregate amount of its participation (if any, and without double counting) in all Utilisations outstanding under the Senior Facilities Agreement at the Enforcement Date (assuming all contingent liabilities which have become actual liabilities since the Enforcement Date to have been actual liabilities at the Enforcement Date (but not including, for these purposes only, any interest that would have accrued from the Enforcement Date to the date of actual maturity in respect of those liabilities) and assuming any transfer of claims between Senior Lenders pursuant to any loss-sharing arrangement in the Senior Facilities Agreement which has taken place since the Enforcement Date to have taken place at the Enforcement Date) together with the aggregate amount of all accrued interest, fees and commission owed to it under the Senior Facilities Agreement; and
- (b) in relation to a Hedge Counterparty:
 - (i) if that Hedge Counterparty has terminated or closed out any hedging transaction under any Hedging Agreement in accordance with the terms of this Agreement on or prior to the Enforcement Date, the amount, if any, payable to it under that Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (taking into account any interest accrued on that amount) to the extent that amount is unpaid at the Enforcement Date (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement); and
 - (ii) if that Hedge Counterparty has not terminated or closed out any hedging transaction under any Hedging Agreement on or prior to the Enforcement Date:
 - (A) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction if the Enforcement Date was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or
 - (B) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction if the Enforcement Date was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of

a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

“Utilisation” means a **“Utilisation”** under and as defined in the Senior Facilities Agreement.

17.2 **Implementation of equalisation**

- (a) The provisions of this Clause 17 shall be applied at such time or times after the Enforcement Date as the Security Agent shall consider appropriate.
- (b) Without prejudice to the generality of paragraph (a) above, if the provisions of this Clause 17 have been applied before all the Liabilities have matured and/or been finally quantified, the Security Agent may elect to re-apply those provisions on the basis of revised Exposures and the Senior Creditors shall make appropriate adjustment payments amongst themselves.

17.3 **Equalisation**

If, for any reason, any Senior Liabilities remain unpaid after the Enforcement Date and the resulting losses are not borne by the Senior Lenders and the Hedge Counterparties in the proportions which their respective Exposures at the Enforcement Date bore to the aggregate Exposures of all the Senior Lenders and the Hedge Counterparties at the Enforcement Date, the Senior Lenders and the Hedge Counterparties will make such payments amongst themselves as the Security Agent shall require to put the Senior Lenders and the Hedge Counterparties in such a position that (after taking into account such payments) those losses are borne in those proportions.

17.4 **Turnover of enforcement proceeds**

If:

- (a) the Security Agent or the Agent is not entitled, for reasons of applicable law, to pay or distribute amounts received pursuant to the making of a demand under any guarantee, indemnity or other assurance against loss or the enforcement of the Transaction Security to the Senior Creditors but is entitled to pay or distribute those amounts to Senior Creditors (such Senior Creditors, the **“Receiving Creditors”**) who, in accordance with the terms of this Agreement, are subordinated in right and priority of payment to the Senior Creditors; and
- (b) the Senior Discharge Date has not yet occurred (nor would occur after taking into account such payments),

then the Receiving Creditors shall make such payments or distributions to the Senior Creditors as the Security Agent shall require to place the Senior Creditors in the position they would have been in had such amounts been available for application against the Senior Liabilities.

17.5 Notification of Exposure

Before each occasion on which it intends to implement the provisions of this Clause 17, the Security Agent shall send notice to each Hedge Counterparty and the Agent (on behalf of the Senior Lenders) requesting that it notify it of, respectively, its Exposure and that of each Senior Lender (if any).

17.6 Default in payment

If a Senior Creditor fails to make a payment due from it under this Clause 17, the Security Agent shall be entitled (but not obliged) to take action on behalf of the Senior Creditor(s) to whom such payment was to be redistributed (subject to being indemnified to its satisfaction by such Senior Creditor(s) in respect of costs) but shall have no liability or obligation towards such Senior Creditor(s), any other Senior Creditor or Senior Creditor as regards such default in payment and any loss suffered as a result of such default shall lie where it falls.

SECTION 7 - THE PARTIES

18 THE SECURITY AGENT

18.1 Security Agent as trustee

- (a) The Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement.
- (b) Each of the Senior Creditors authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with the Debt Documents together with any other incidental rights, powers, authorities and discretions.

18.2 Instructions

- (a) The Security Agent shall:
 - (i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by the Majority Senior Creditors; and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, in accordance with instructions given to it by that Creditor or group of Creditors).
- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Senior Creditors (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, from that Creditor or group of Creditors) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (c) Save in the case of decisions stipulated to be a matter for any other Creditor or group of Creditors under this Agreement and unless a contrary intention appears in this Agreement, any instructions given to the Security Agent by the Majority Senior Creditors shall override any conflicting instructions given by any other Parties and will be binding on all Secured Parties.
- (d) Paragraph (a) above shall not apply:

- (i) where a contrary indication appears in this Agreement;
- (ii) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;
- (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, Clauses 18.5 (No duty to account) to Clause 18.10 (Exclusion of liability), Clause 18.13 (Confidentiality) to Clause 18.19 (Custodians and nominees) and Clause 18.22 (Acceptance of title) to Clause 18.25 (Disapplication of Trustee Acts);
- (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
 - (A) Clause 11 (Non-Distressed Disposals);
 - (B) Clause 16.1 (Order of application);
 - (C) Clause 16.2 (Prospective liabilities); and
 - (D) Clause 16.5 (Permitted Deductions).
- (e) If giving effect to instructions given by the Majority Senior Creditors would (in the Security Agent's opinion) have an effect equivalent to an Intercreditor Amendment, the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that Intercreditor Amendment.
- (f) In exercising any discretion to exercise a right, power or authority under the Debt Documents where either:
 - (i) it has not received any instructions as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to paragraph (d)(iv) above,the Security Agent shall do so having regard to the interests of all the Secured Parties.
- (g) The Security Agent may refrain from acting in accordance with any instructions of any Creditor or group of Creditors until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Debt Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

- (h) Without prejudice to the provisions of Clause 10 (Enforcement of Transaction Security) and the remainder of this Clause 18.2, in the absence of instructions, the Security Agent may act (or refrain from acting) as it considers in its discretion to be appropriate.

18.3 Duties of the Security Agent

- (a) The Security Agent's duties under the Debt Documents are solely mechanical and administrative in nature.
- (b) The Security Agent shall promptly:
 - (i) forward to the Agent and to each Hedge Counterparty a copy of any document received by the Security Agent from any Debtor under any Debt Document; and
 - (ii) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.
- (c) Except where a Debt Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) Without prejudice to Clause 22.3 (Notification of prescribed events), if the Security Agent receives notice from a Party referring to any Debt Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Senior Creditors.
- (e) To the extent that a Party (other than the Security Agent) is required to calculate a Common Currency Amount, the Security Agent shall upon a request by that Party, promptly notify that Party of the relevant Security Agent's Spot Rate of Exchange.
- (f) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Debt Documents to which it is expressed to be a party (and no others shall be implied).

18.4 No fiduciary duties to Debtors or Subordinated Creditors

Nothing in this Agreement constitutes the Security Agent as an agent, trustee or fiduciary of any Debtor or any Subordinated Creditor.

18.5 No duty to account

The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

18.6 Business with the Group

The Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

18.7 Rights and discretions

(a) The Security Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Senior Creditors, any Creditors or any group of Creditors are duly given in accordance with the terms of the Debt Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Debt Documents for so acting have been satisfied; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Security Agent may assume (unless it has received notice to the contrary in its capacity as security trustee for the Secured Parties) that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested in any Party or any group of Creditors has not been exercised; and

(iii) any notice made by the Company is made on behalf of and with the consent and knowledge of all the Debtors.

- (c) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by any Senior Creditor) if the Security Agent in its reasonable opinion deems this to be desirable.
- (e) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Security Agent, any Receiver and any Delegate may act in relation to the Debt Documents and the Security Property through its officers, employees and agents and shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,unless such error or such loss was directly caused by the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.
- (g) Unless this Agreement expressly specifies otherwise, the Security Agent may disclose to any other Party any information it reasonably believes it has received as security trustee under this Agreement.
- (h) Notwithstanding any other provision of any Debt Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Debt Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

18.8 Responsibility for documentation

None of the Security Agent, any Receiver nor any Delegate is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent, a Debtor or any other person in or in connection with any Debt Document or the transactions contemplated in the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Senior Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property; or
- (c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

18.9 No duty to monitor

The Security Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Debt Document; or
- (c) whether any other event specified in any Debt Document has occurred.

18.10 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Debt Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate), none of the Security Agent, any Receiver nor any Delegate will be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Debt Document or the Senior Security Property unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising or not exercising any right, power, authority or discretion given to it by, or in connection with, any Debt Document, the Senior Security Property or any other agreement, arrangement or document entered into.

made or executed in anticipation of, under or in connection with, any Debt Document or the Senior Security Property;

- (iii) any shortfall which arises on the enforcement or realisation of the Senior Security Property; or
- (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or any Senior Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.3 (Third party rights) and the provisions of the Third Parties Act.
- (c) Nothing in this Agreement shall oblige the Security Agent to carry out:
 - (i) any “**know your customer**” or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Senior Creditor,

on behalf of any Senior Creditor and each Senior Creditor confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

- (d) Without prejudice to any provision of any Debt Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate, any liability of the Security Agent, any Receiver or Delegate arising under or in connection with any Debt Document or the Senior Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

18.11 Senior Creditors' indemnity to the Security Agent

- (a) Each Senior Creditor shall (in the proportion that the Liabilities due to it bear to the aggregate of the Liabilities due to all the Senior Creditors for the time being (or, if the Liabilities due to the Senior Creditors are zero, immediately prior to their being reduced to zero)), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Debt Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by a Debtor pursuant to a Debt Document).
- (b) For the purposes only of paragraph (a) above, to the extent that any hedging transaction under a Hedging Agreement has not been terminated or closed-out, the Hedging Liabilities due to any Hedge Counterparty in respect of that hedging transaction will be deemed to be:
 - (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of those hedging transactions, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or
 - (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early

Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case as calculated in accordance with the relevant Hedging Agreement.

- (c) Subject to paragraph (d) below, the Company shall immediately on demand reimburse any Senior Creditor for any payment that Senior Creditor makes to the Security Agent pursuant to paragraph (a) above.
- (d) Paragraph (c) above shall not apply to the extent that the indemnity payment in respect of which the Senior Creditor claims reimbursement relates to a liability of the Security Agent to a Debtor.

18.12 Resignation of the Security Agent

- (a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the Senior Creditors and the Company.
- (b) Alternatively the Security Agent may resign by giving 30 days' notice to the Senior Creditors and the Company, in which case the Majority Senior Creditors may appoint a successor Security Agent.
- (c) If the Majority Senior Creditors has not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent (after consultation with the Agent and the Hedge Counterparties) may appoint a successor Security Agent.
- (d) The retiring Security Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Debt Documents. The Company shall, within three (3) Business Days of demand, reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (e) The Security Agent's resignation notice shall only take effect upon:
 - (i) the appointment of a successor; and
 - (ii) the transfer of all the Senior Security Property to that successor.

- (f) Upon the appointment of a successor, the retiring Security Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (b) of Clause 18.23 (Winding up of trust) and paragraph (d) above) but shall remain entitled to the benefit of this Clause 18 and Clause 21.1 (Indemnity to the Security Agent) (and any Security Agent fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (g) The Majority Senior Creditors may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Company.

18.13 Confidentiality

- (a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Debt Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

18.14 Information from the Creditors

Each Creditor shall supply the Security Agent with any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent.

18.15 Credit appraisal by the Secured Parties

Without affecting the responsibility of any Debtor for information supplied by it or on its behalf in connection with any Debt Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;

- (b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Senior Security Property;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Senior Security Property, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Senior Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

18.16 Reliance and engagement letters

The Security Agent may obtain and rely on any certificate or report from any Debtor's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including, without limitation, restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

18.17 No responsibility to perfect Senior Security

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Debtor to any of the Charged Property;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Debt Document or the Senior Security;
- (c) register, file or record or otherwise protect any of the Senior Security (or the priority of any of the Senior Security) under any law or regulation or to give notice to any person of the execution of any Debt Document or of the Senior Security;

- (d) take, or to require any Debtor to take, any step to perfect its title to any of the Charged Property or to render the Senior Security effective; or
- (e) require any further assurance in relation to any Senior Security Document.

18.18 Insurance by Security Agent

- (a) The Security Agent shall not be obliged:
 - (i) to insure any of the Charged Property;
 - (ii) to require any other person to maintain any insurance; or
 - (iii) to verify any obligation to arrange or maintain insurance contained in any Debt Document,and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Majority Senior Creditors requests it to do so in writing and the Security Agent fails to do so within fourteen days after receipt of that request.

18.19 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

18.20 Delegation by the Security Agent

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

18.21 Additional Security Agents

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:
 - (i) if it considers that appointment to be in the interests of the Secured Parties;
 - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or
 - (iii) for obtaining or enforcing any judgment in any jurisdiction,and the Security Agent shall give prior notice to the Company and the Senior Creditors of that appointment.
- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Debt Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

18.22 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Debtor may have to any of the Charged Property and shall not be liable for, or bound to require any Debtor to remedy, any defect in its right or title.

18.23 Winding up of trust

If the Security Agent, with the approval of the Agent and each Hedge Counterparty, determines that:

- (a) all of the Secured Obligations and all other obligations secured by the Senior Security Documents 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 Debtor pursuant to the Debt Documents,

then:

- (i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Senior Security Documents; and
- (ii) any Security Agent which has resigned pursuant to Clause 18.12 (Resignation of the Security Agent) shall release, without recourse or warranty, all of its rights under each Senior Security Document.

18.24 Powers supplemental to Trusts Act

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Debt Documents shall be supplemental to the Trusts (Scotland) Act 1921 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

18.25 Disapplication of Trusts Acts

Where there are any inconsistencies between the Trusts (Scotland) Act 1921 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trusts (Scotland) Act 1921, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

18.26 Intra-Group Lenders and Debtors: Power of Attorney

Each Subordinated Creditor, Intra-Group Lender and Debtor irrevocably appoints the Security Agent to be its attorney and mandatory to do anything which that Subordinated Creditor, Intra-Group Lender or Debtor has authorised the Security Agent or any other Party to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Security Agent may delegate that power on such terms as it sees fit).

19 CHANGES TO THE PARTIES

19.1 Assignments and transfers

No Party may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations,

in respect of any Debt Documents or the Liabilities except as permitted by this Clause 19.

19.2 Change of Subordinated Creditor

Subject to Clause 6.6 (No acquisition of Subordinated Liabilities), a Subordinated Creditor may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations.

in respect of the Subordinated Liabilities owed to it if:

- (i) that assignment or transfer is made by that Subordinated Creditor to a permitted assignee or transferee under the terms of the relevant Subordinated Documents; and
- (ii) that assignee or transferee has (if not already party to this Agreement as a Subordinated Creditor) acceded to this Agreement, as a Subordinated Creditor (as a Subordinated Secured Creditor or a Subordinated Unsecured Creditor, as applicable), pursuant to Clause 19.9 (Creditor Accession Undertaking).

19.3 Change of Senior Lender

(a) A Senior Lender may:

- (i) assign any of its rights; or
- (ii) transfer by novation any of its rights and obligations,

in respect of any Debt Documents or the Liabilities if:

- (A) that assignment or transfer is in accordance with the terms of the Senior Facilities Agreement; and
- (B) any assignee or transferee has (if not already a Party as a Senior Lender) acceded to this Agreement, as a Senior Lender, pursuant to Clause 19.9 (Creditor Accession Undertaking).

19.4 Change of Hedge Counterparty

A Hedge Counterparty may (in accordance with the terms of the relevant Hedging Agreement and subject to any consent required under that Hedging Agreement) transfer any of its rights or obligations in respect of the Hedging Agreements to which it is a party if any transferee has (if not already a Party as a Hedge Counterparty and a party to the Senior Facilities Agreement as a Hedge Counterparty) acceded to:

- (a) this Agreement, pursuant to Clause 19.9 (Creditor Accession Undertaking); and
 - (b) the Senior Facilities Agreement,
- as a Hedge Counterparty.

19.5 Change of Agent

No person shall become an Agent unless at the same time, it accedes to this Agreement as an Agent pursuant to Clause 19.9 (Creditor Accession Undertaking).

19.6 Change of Intra-Group Lender

Subject to Clause 5.4 (Acquisition of Intra-Group Liabilities) and to the terms of the other Debt Documents, any Intra-Group Lender may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations,

in respect of the Intra-Group Liabilities to another member of the Group if that member of the Group has (if not already a Party as an Intra-Group Lender) acceded to this Agreement as an Intra-Group Lender, pursuant to Clause 19.9 (Creditor Accession Undertaking).

19.7 New Intra-Group Lender

If any Intra-Group Lender or any member of the Group (other than the Company) makes any loan to or grants any credit to or makes any other financial arrangement having similar effect with any Debtor, the Company will procure that the person giving that loan, granting that credit or making that other financial arrangement (if not already a Party as an Intra-Group Lender) accedes to this Agreement as an Intra-Group Lender, pursuant to Clause 19.9 (Creditor Accession Undertaking).

19.8 New Subordinated Creditor

If any person makes a loan to or grants any credit to or makes any other financial arrangement having similar effect with any Debtor, that person giving that loan, granting that credit or making that other financial arrangement (if not already a Party to this Agreement as a Subordinated Creditor) shall accede to this Agreement as a Subordinated Secured Creditor or a Subordinated Unsecured Creditor pursuant to Clause 19.9 (Creditor Accession Undertaking).

19.9 Creditor Accession Undertaking before the Senior Discharge Date

Prior to the Senior Discharge Date, with effect from the date of acceptance by the Security Agent and, (and in the case of a Hedge Counterparty or any Affiliate of a Senior Facility

Creditor) by the Agent, of a Creditor Accession Undertaking duly executed and delivered to the Security Agent by the relevant acceding party or, if later, the date specified in that Creditor Accession Undertaking:

- (a) any Party ceasing entirely to be a Creditor shall be discharged from further obligations towards the Security Agent and other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date);
- (b) as from that date, the replacement or new Creditor shall assume the same obligations and become entitled to the same rights, as if it had been an original Party in the capacity specified in the Creditor Accession Undertaking; and
- (c) any party acceding to this Agreement as a Hedge Counterparty shall also become party to the Senior Facilities Agreement as a Hedge Counterparty and shall assume the same obligations and become entitled to the same rights as if it had been an original party to the Senior Facilities Agreement as a "Hedge Counterparty".

19.10 Creditor Accession Undertaking after the Senior Discharge Date

After the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, with effect from the date of acceptance by the Subordinated Secured Creditors of a Creditor Accession Undertaking duly executed and delivered to the Subordinated Secured Creditors by the relevant acceding party or, if later, the date specified in that Creditor Accession Undertaking:

- (a) any Party ceasing entirely to be a Creditor shall be discharged from further obligations towards the Subordinated Secured Creditors and other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date); and
- (b) as from that date, the replacement or new Creditor shall assume the same obligations and become entitled to the same rights, as if it had been an original Party in the capacity specified in the Creditor Accession Undertaking

19.11 New Debtor

- (a) If any member of the Group:
 - (i) incurs any Liabilities; or
 - (ii) gives any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities

the Debtors will procure that the person incurring those Liabilities or giving that assurance accedes to this Agreement as a Debtor, in accordance with paragraph (b)

below, no later than contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

- (b) Prior to the Senior Discharge Date, with effect from the date of acceptance by the Security Agent of a Debtor Accession Deed duly executed and delivered to the Security Agent by the new Debtor or, if later, the date specified in the Debtor Accession Deed, the new Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor.
- (c) After the Senior Creditor Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, with effect from the date of acceptance by the Subordinated Secured Creditors of a Debtor Accession Deed duly executed and delivered to the Subordinated Secured Creditors by the new Debtor or, if later, the date specified in the Debtor Accession Deed, the new Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor.

19.12 Additional parties

- (a) Prior to the Senior Discharge Date, each of the Parties appoints the Security Agent to receive on its behalf each Debtor Accession Deed and Creditor Accession Undertaking delivered to the Security Agent and the Security Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement or, where applicable, by the Senior Facilities Agreement.
- (b) In the case of a Creditor Accession Undertaking delivered to the Security Agent by any party acceding to this Agreement as a Hedge Counterparty:
 - (i) the Security Agent shall, as soon as practicable after signing and accepting that Creditor Accession Undertaking in accordance with paragraph (a) above, deliver that Creditor Accession Undertaking to the Agent; and
 - (ii) the Agent shall, as soon as practicable after receipt by it, sign and accept that Creditor Accession Undertaking if it appears on its face to have been completed, executed and delivered in the form contemplated by this Agreement.
- (c) After the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, each of the Parties appoints the Subordinated Secured Creditors to receive on its behalf each Debtor Accession Deed and Creditor Accession Undertaking delivered to the Subordinated Secured Creditors and the Subordinated Secured Creditors shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement.

19.13 Resignation of a Debtor

- (a) No Senior Guarantor may cease to be party to the Senior Facilities Agreement as a Senior Guarantor in accordance with those agreements unless each Hedge Counterparty has notified the Security Agent:
 - (i) that no payment is due from that Senior Guarantor to that Hedge Counterparty under those agreements; or
 - (ii) that it otherwise consents to that Senior Guarantor ceasing to be a Senior Guarantor under those agreements.

The Security Agent shall, upon receiving that notification, notify the Agent.

- (b) The Company may request that a Debtor ceases to be a Debtor by delivering to the Security Agent a Debtor Resignation Request.
- (c) The Security Agent shall accept a Debtor Resignation Request and notify the Company and each other Party of its acceptance if:
 - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Debtor Resignation Request;
 - (ii) to the extent that the Senior Facilities Discharge Date has not occurred, the Agent notifies the Security Agent that that Debtor is not, or has ceased to be, a Senior Borrower or a Senior Guarantor;
 - (iii) each Hedge Counterparty notifies the Security Agent that that Debtor is under no actual or contingent obligations to that Hedge Counterparty in respect of the Hedging Liabilities;
 - (iv) each Subordinated Creditor notifies the Security Agent that the Debtor is under no actual or contingent obligations to that Subordinated Creditor in respect of the Subordinated Liabilities; and
 - (v) the Company confirms that that Debtor is under no actual or contingent obligations in respect of the Intra-Group Liabilities.
- (d) Upon notification by the Security Agent to the Company of its acceptance of the resignation of a Debtor, that member of the Group shall cease to be a Debtor and shall have no further rights or obligations under this Agreement as a Debtor.

SECTION 8 - ADDITIONAL PAYMENT OBLIGATIONS

20 COSTS AND EXPENSES

20.1 Interest on demand

- (a) Prior to the Senior Discharge Date, if any Creditor or Debtor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is 2 per cent per annum over the rate at which the Security Agent would be able to obtain by placing on deposit with a leading bank an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Security Agent may from time to time select provided that if any such rate is below zero, that rate will be deemed to be zero.
- (b) After the Senior Discharge Date but prior to the Subordinated Secured Creditor Discharge Date, if any Creditor or Debtor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is 1 per cent per annum over the rate at which the Subordinated Secured Creditors would be able to obtain by placing on deposit with a leading bank an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Subordinated Secured Creditors may from time to time select provided that if any such rate is below zero, that rate will be deemed to be zero.

21 OTHER INDEMNITIES

21.1 Indemnity to the Security Agent

- (a) Each Debtor jointly and severally shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them as a result of:
 - (i) any failure by the Company to comply with its obligations under Clause 20 (Costs and expenses);
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be *genuine, correct and appropriately authorised*;
 - (iii) the taking, holding, protection or enforcement of the Senior Security;

- (iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent, each Receiver and each Delegate by the Debt Documents or by law;
 - (v) any default by any Debtor in the performance of any of the obligations expressed to be assumed by it in the Debt Documents;
 - (vi) instructing lawyers, accountants, tax advisers, surveyors, or other professional advisers or experts as permitted under this Agreement; or
 - (vii) acting as Security Agent, Receiver or Delegate under the Debt Documents or which otherwise relates to any of the Senior Security Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).
- (b) Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 21.1 will not be prejudiced by any release or disposal under Clause 12 (Distressed Disposals and Appropriation) taking into account the operation of that Clause 12.
- (c) After the Transaction Security has become enforceable, the Security Agent and every Receiver and Delegate may, in priority to any payment to the 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 this Clause 21.1 and shall have a lien on the Senior Security and the proceeds of the enforcement of the Senior Security for all moneys payable to it.

21.2 Company's indemnity to Senior Creditors

The Company shall promptly and as principal obligor indemnify each Senior Creditor against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of the operation of Clause 12 (Distressed Disposals and Appropriation).

21.3 Indemnity to the Subordinated Secured Creditor

Each Debtor jointly and severally shall promptly indemnify the Subordinated Secured Creditors against any cost, loss or liability (together with any applicable VAT) incurred by any of them as a result of:

- (a) any failure by the Company to comply with its obligations under Clause 20 (Costs and expenses);
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

- (c) the taking, holding, protection or enforcement of the Subordinated Security;
- (d) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Subordinated Secured Creditors by the Subordinated Secured Documents or by law;
- (e) any default by any Debtor in the performance of any of the obligations expressed to be assumed by it in the Subordinated Secured Documents; or
- (f) instructing lawyers, accountants, tax advisers, surveyors, or other professional advisers or experts as permitted under this Agreement.

SECTION 9 - ADMINISTRATION

22 INFORMATION

22.1 Dealings with Security Agent and Agent

- (a) Each Senior Facility Creditor shall deal with the Security Agent exclusively through the Agent and the Hedge Counterparties shall deal directly with the Security Agent and shall not deal through the Agent.
- (b) The Agent shall not be under any obligation to act as agent or otherwise on behalf of any Hedge Counterparty except as expressly provided for in, and for the purposes of, this Agreement.

22.2 Disclosure between Senior Creditors and Security Agent

Notwithstanding any agreement to the contrary, each of the Debtors and the Subordinated Creditors consents, until the Senior Discharge Date, to the disclosure by any Senior Creditor and the Security Agent to each other (whether or not through the Agent or the Security Agent) of such information concerning the Debtors and the Subordinated Creditors +as any Senior Creditor or the Security Agent shall see fit.

22.3 Notification of prescribed events

- (a) If a Senior Event of Default either occurs or ceases to be continuing the Agent shall, upon becoming aware of that occurrence or cessation, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Hedge Counterparty.
- (b) If a Senior Acceleration Event occurs the Agent shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.
- (c) If the Security Agent enforces, or takes formal steps to enforce, any of the Senior Security it shall notify each Party of that action.
- (d) If any Senior Creditor exercises any right it may have to enforce, or to take formal steps to enforce, any of the Senior Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Party of that action.
- (e) If a Debtor defaults on any Payment due under a Hedging Agreement, the Hedge Counterparty which is party to that Hedging Agreement shall, upon becoming aware of that default, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent, each other Hedge Counterparty and each Subordinated Creditor.

- (f) If a Hedge Counterparty terminates or closes-out, in whole or in part, any hedging transaction under any Hedging Agreement under Clause 4.9 (Permitted Enforcement: Hedge Counterparties) it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent, each other Hedge Counterparty and each Subordinated Creditor.
- (g) If any of the Term Outstandings are to be reduced (whether by way of repayment, prepayment, cancellation or otherwise) the Company shall notify each Hedge Counterparty of:
 - (i) the date and amount of that proposed reduction; and
 - (ii) any Interest Rate Hedge Excess that would result from that proposed reduction and that Hedge Counterparty's Interest Rate Hedging Proportion (if any) of that Interest Rate Hedge Excess.
- (h) If an event of default occurs under any Subordinated Document the relevant Subordinated Creditor shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Senior Creditor.

23 NOTICES

23.1 Communications in writing

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

23.2 Security Agent's communications with Senior Creditors

The Security Agent shall be entitled to carry out all dealings:

- (a) with the Senior Facility Creditors through the Agent and may give to the Agent any notice, document or other communication required to be given by the Security Agent to a Senior Facility Creditor; and
- (b) with each Hedge Counterparty directly with that Hedge Counterparty.

23.3 Addresses

The address (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 Agreement is:

- (a) in the case of the Company, that identified with its name below;
- (b) in the case of the Security Agent, that identified with its name below; and

- (c) in the case of each other Party, that notified in writing to the Security Agent on or prior to the date on which it becomes a Party,

or any substitute address or department or officer which that Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

23.4 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 23.3 (Addresses), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).
- (c) Any communication or document made or delivered to the Company in accordance with this Clause 23.4 will be deemed to have been made or delivered to each of the Debtors.
- (d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 17:00 in the place of receipt shall be deemed only to become effective on the following day.

23.5 Notification of address

Promptly upon receipt of notification of an address or change of address pursuant to Clause 23.3 (Addresses) or changing its own address, the Security Agent shall notify the other Parties.

23.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with this Agreement may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

- (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 17:00 in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (d) Any reference in this Agreement to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 23.6.

23.7 English language

- (a) Any notice given under or in connection with this Agreement must be in English.
- (b) All other documents provided under or in connection with this Agreement must be:
 - (i) in English; or
 - (ii) 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.

24 PRESERVATION

24.1 Partial invalidity

If, at any time, any provision of a Debt Document 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 that provision under the law of any other jurisdiction will in any way be affected or impaired.

24.2 No impairment

If, at any time after its date, any provision of a Debt Document (including this Agreement) is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Debt Document, neither the binding nature nor the enforceability of that provision

or any other provision of that Debt Document will be impaired as against the other party(ies) to that Debt Document.

24.3 Remedies and waivers

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

24.4 Waiver of defences

The provisions of this Agreement or any Transaction Security will not be affected by an act, omission, matter or thing which, but for this Clause 24.4, would reduce, release or prejudice the subordination and priorities expressed to be created by this Agreement including (without limitation and whether or not known to any Party):

- (a) any time, waiver or consent granted to, or composition with, any Debtor or other person;
- (b) the release of any Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor 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 Debtor or other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Debt Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security;
- (g) any intermediate Payment of any of the Liabilities owing to the Creditors in whole or in part; or

- (h) any insolvency or similar proceedings.

24.5 Priorities not affected

Except as otherwise provided in this Agreement the priorities referred to in Clause 2 (Ranking and Priority) will:

- (a) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Creditors or by any intermediate reduction or increase in, amendment or variation to any of the Debt Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;
- (b) apply regardless of the order in which or dates upon which this Agreement and the other Debt Documents are executed or registered or notice of them is given to any person; and
- (c) secure the Liabilities owing to the relevant Creditors in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

25 CONSENTS, AMENDMENTS AND OVERRIDE

25.1 Required consents

- (a) Subject to paragraph (b) below, to Clause 25.4 (Exceptions) and to Clause 25.5 (Excluded Senior Credit Participations):
 - (i) Clause 17.1 (Equalisation Definitions) to Clause 17.3 (Equalisation) may be amended or waived with the consent of the Agent, the Majority Senior Lenders and the Security Agent to the extent that that amendment or waiver does not affect the Subordinated Secured Creditor; and
 - (ii) subject to paragraph (i) above, this Agreement may be amended or waived only with the consent of the Company, the Agent, the Majority Senior Lenders, the Security Agent and the Subordinated Secured Creditor.
- (b) An amendment or waiver that has the effect of changing or which relates to:
 - (i) Clause 9 (Redistribution), Clause 16 (Application of Proceeds) or this Clause 25 (Consents, amendments and override);
 - (ii) paragraphs (d)(iii), (e) and (f) of Clause 18.2 (Instructions);
 - (iii) the order of priority or subordination under this Agreement,

shall not be made without the consent of:

- (A) the Agent;
- (B) the Senior Lenders;
- (C) the Subordinated Secured Creditor;
- (D) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty); and
- (E) the Security Agent.

25.2 Amendments and Waivers: Senior Security Documents

- (a) Subject to paragraph (b) below and to Clause 25.4 (Exceptions) and unless the provisions of any Debt Document expressly provide otherwise, the Security Agent may, if authorised by the Majority Senior Creditors, and if the Company consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Senior Security Documents which shall be binding on each Party.
- (b) Subject to paragraph (c) of Clause 25.4 (Exceptions), any amendment or waiver of, or consent under, any Senior Security Document which has the effect of changing or which relates to:
 - (i) the nature or scope of the Charged Property;
 - (ii) the manner in which the proceeds of enforcement of the Senior Security are distributed; or
 - (iii) the release of any Senior Security,

shall not be made without the prior consent of the Senior Facility Creditors whose consent to that amendment, waiver or consent is required under the Senior Facilities Agreement, the Subordinated Secured Creditors whose consent to that amendment, waiver or consent is required under the Subordinated Secured Loan Note Instrument and the Hedge Counterparties.

25.3 Effectiveness

- (a) Any amendment, waiver or consent given in accordance with this Clause 25 will be binding on all Parties and the Security Agent may effect, on behalf of any Senior Creditor, any amendment, waiver or consent permitted by this Clause 25.
- (b) Without prejudice to the generality of Clause 18.7 (Rights and discretions) the Security Agent may engage, pay for and rely on the services of lawyers in

determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

25.4 Exceptions

(a) Subject to paragraph (c) below, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any Party other than:

- (i) in the case of a Senior Creditor (other than the Agent), in a way which affects or would affect Senior Creditors of that Party's class generally; or
- (ii) in the case of a Debtor, to the extent consented to by the Company under paragraph (a) of Clause 25.2 (Amendments and Waivers: Senior Security Documents),

the consent of that Party is required.

(b) Subject to paragraph (c) below, an amendment, waiver or consent which relates to the rights or obligations of the Agent, an Arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under this Agreement) or a Hedge Counterparty may not be effected without the consent of the Agent or, as the case may be, that Arranger, the Security Agent or that Hedge Counterparty.

(c) Neither paragraph (a) nor (b) above, nor paragraph (b) of Clause 25.2 (Amendments and Waivers: Senior Security Documents) shall apply:

- (i) to any release of Senior Security, claim or Liabilities; or
- (ii) to any consent

which, in each case, the Security Agent gives in accordance with Clause 11 (Non-Distressed Disposals), Clause 12 (Distressed Disposals and Appropriation) and Clause 14 (Acquisition and insurance claims).

25.5 Excluded Senior Credit Participations

(a) Subject to paragraph (b) below, if in relation to:

- (i) a request for a Consent in relation to any of the terms of this Agreement;
- (ii) a request to participate in any other vote of Senior Creditors under the terms of this Agreement;
- (iii) a request to approve any other action under this Agreement;

(iv) a request to provide any confirmation or notification under this Agreement; or

(v) a request to provide details of an Exposure,

any Senior Creditor:

(A) fails to respond to that request within 5 Business Days of that request being made; or

(B) (in the case of a Senior Creditor and paragraphs (i) to (iii) above), fails to provide details of its Senior Credit Participation to the Security Agent within the timescale specified by the Security Agent;

(vi) in the case of paragraphs (i) to (iii) above, that Senior Creditor's Senior Credit Participation shall be deemed to be zero for the purpose of calculating the Senior Credit Participations when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Senior Credit Participations has been obtained to give that Consent, carry that vote or approve that action;

(vii) in the case of paragraphs (i) to (iii) above, that Senior Creditor's status as a Senior Creditor shall be disregarded for the purposes of ascertaining whether the agreement of any specified group of Senior Creditors has been obtained to give that Consent, carry that vote or approve that action;

(viii) in the case of paragraph (iv) above, that confirmation or notification shall be deemed to have been given; and

(ix) in the case of paragraph (v) above, that Senior Creditor's Exposure shall be deemed to be zero.

(b) Paragraph (a)(A) above shall not apply to an amendment or waiver referred to in paragraphs (b)(i), (b)(ii) or (b)(iii) of Clause 25.1 (Required Consents).

25.6 Pro rata interest settlement in Senior Facilities Agreement

Paragraph (c) of clause 26.11 (Pro rata interest settlement) of the Senior Facilities Agreement shall apply to any request for a Consent, to carry any other vote or approve any action under this Agreement.

25.7 Calculation of Senior Credit Participations

For the purpose of ascertaining whether any relevant percentage of Senior Credit Participations has been obtained under this Agreement, the Security Agent may notionally convert the Senior Credit Participations into their Common Currency Amounts.

25.8 Deemed consent

- (a) If, at any time prior to the Senior Discharge Date, the Senior Facility Creditors give a Consent in respect of the Senior Finance Documents then, if that action was permitted by the terms of this Agreement, the Intra-Group Lenders, the Company and the Subordinated Creditors (excluding the Original Subordinated Secured Creditor but including any assignee or transferee of the Original Subordinated Secured Creditor which has acceded to this Agreement in accordance with Clause 19.2 (Change of Subordinated Creditor) will (or will be deemed to):
 - (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the Senior Facility Creditors may reasonably require to give effect to this paragraph (a).

25.9 Excluded consents

Clause 25.8 (Deemed consent) does not apply to any Consent which has the effect of:

- (a) increasing or decreasing the Liabilities;
- (b) changing the basis upon which any Permitted Payments are calculated (including the timing, currency or amount of such Payments); or
- (c) changing the terms of this Agreement or of any Senior Security Document.

25.10 Subordinated Creditors administrative consents

- (a) Subject to paragraph (b) below, if the Agent or the requisite majority of Senior Facility Creditors under the Senior Facilities Agreement gives or give any Consent which is of a minor technical or administrative nature, or which corrects a manifest error, in respect of the Senior Finance Documents which does not adversely affect the interests of the Subordinated Creditors or change the commercial terms contained in the Subordinated Finance Documents then, if that action was permitted by the terms of this Agreement, the Subordinated Creditors (excluding the Original Subordinated Secured Creditor but including any assignee or transferee of the Original Subordinated Secured Creditor which has acceded to this Agreement in accordance with Clause 19.2 (Change of Subordinated Creditor) will (or will be deemed to):

- (i) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and
 - (ii) do anything (including executing any document) that the Senior Facility Creditors may reasonably require to give effect to this Clause 25.10.
- (b) Each Debtor agrees to promptly indemnify the Subordinated Unsecured Creditors against any cost reasonably incurred by any of them as a result of the relevant Subordinated Unsecured Creditor(s) taking any action required pursuant to paragraph (a) above.

25.11 No liability

None of the Senior Facility Creditors will be liable to any other Creditor, or Debtor for any Consent given or deemed to be given under this Clause 25.

25.12 Agreement to override

Unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Debt Documents to the contrary.

SECTION 10 – COUNTERPARTS, GOVERNING LAW AND ENFORCEMENT

26 COUNTERPARTS

- (a) Where executed in counterparts:
 - (i) this Agreement shall not take effect until all of the counterparts have been delivered;
 - (ii) delivery will take place when the date of delivery is agreed between the Parties after execution of this Agreement as evidenced by the date inserted at the start of this Agreement.
- (b) Where not executed in counterparts, this Agreement shall take effect after its execution upon the date agreed between the Parties as evidenced by the date inserted at the start of this Agreement.

27 GOVERNING LAW

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

28 ENFORCEMENT

28.1 Jurisdiction

- (a) The courts of Scotland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “Dispute”).
- (b) The Parties agree that the courts of Scotland are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraph (a) above, no 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 Secured Parties may take concurrent proceedings in any number of jurisdictions.

28.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law each Debtor (other than a Debtor incorporated in the United Kingdom) shall as soon as reasonably practicable following a request from the Agent either:

- (i) appoint a solicitor in Scotland as its agent for service of process in relation to any proceedings before the Scottish courts in connection with any Finance Document; or
- (ii) register with Companies House as an overseas company opening a UK establishment and notify the Agent of its address registered in the United Kingdom,

and agrees that failure by a process agent to notify the relevant Debtor of the process will not invalidate the proceedings concerned.

- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (in the case of an agent for service of process for a Debtor) or the relevant Subordinated Creditor must immediately (and in any event within fifteen (15) days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

IN WITNESS WHEREOF these presents consisting of this and the preceding 109 pages together with the schedule in 3 parts annexed hereto are executed in counterpart as follows and DELIVERED on 13 November 2020:

THE COMPANY, ORIGINAL INTRA-GROUP LENDER AND ORIGINAL DEBTOR

SUBSCRIBED for and on behalf of the said M SQUARED TECHNOLOGIES GROUP LIMITED
as Company and Original Debtor

at Livingston

on 12 November 2020

(date of signature)

by

craig Archibald McIntyre

Print Full name

DocuSigned by:

BC1409BA46E24E2

Director

SENIOR LENDER

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Senior Lender

at Dolphinton,
South . . .

on 12 November 2020
(date of signature)

by

Richard Mathison

Print Full name

DocuSigned by:

3DAEF8A0FD3141F...
Authorised Signatory

AGENT

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Agent

at Dolphinton,
South . . .

on 12 November 2020
(date of signature)

by

Richard Mathison

Print Full name

DocuSigned by:

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Authorised Signatory

THE HEDGE COUNTERPARTY

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Hedge Counterparty

at Dolphinton,
South . . .

on 12 November 2020
(date of signature)

by

Richard Mathison

Print Full name

DocuSigned by:

3DAEF8A0FD3141F...
Authorised Signatory

THE ARRANGER

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Arranger

at Dolphinton,
South . . .

on 12 November 2020
(date of signature)

by

Richard Mathison

Print Full name

DocuSigned by:

[Redacted Signature]

3DAEF8A8FD3141F...

Authorised Signatory

THE SECURITY AGENT

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Security Agent

at Dolphinton,
South . . .

on 12 November 2020
(date of signature)

by

Richard Mathison

Print Full name

DocuSigned by:

[Redacted Signature]

3DAEF8A8FD3141F

Authorised Signatory

THE ORIGINAL SUBORDINATED CREDITORS

SUBSCRIBED for and on behalf of the said THE UNIVERSITY COURT OF THE UNIVERSITY
OF ST ANDREWS as Original Subordinated Unsecured Creditor

at

on

(date of signature)

by

Print Full name

Authorised Signatory

THE ARRANGER

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Arranger

at

on

(date of signature)

by

Print Full name

Authorised Signatory

THE SECURITY AGENT

SUBSCRIBED for and on behalf of the said SANTANDER UK PLC as Security Agent

at

on

(date of signature)

by

Print Full name

Authorised Signatory

THE ORIGINAL SUBORDINATED CREDITORS

SUBSCRIBED for and on behalf of the said THE UNIVERSITY COURT OF THE UNIVERSITY OF ST ANDREWS as Original Subordinated Unsecured Creditor

at Tillicoultry

on 12 November 2020

(date of signature)

by

Andrew Darren Goor

Print Full name

Authorised Signatory



SUBSCRIBED for and on behalf of the said **THE SCOTTISH MINISTERS** as Original Subordinated Secured Creditor

at Elie, Fife

on 13 November 2020

(date of signature)

by

ELIUD MACTAGGART
Print Full name


Authorised Signatory 

This is the Schedule in 3 parts referred to in the preceding intercreditor agreement between SANTANDER UK PLC as Agent, Senior Lender, Hedge Counterparty, Arranger and Security Agent, THE SCOTTISH MINISTERS as the Original Subordinated Secured Creditor, THE UNIVERSITY COURT OF THE UNIVERSITY OF ST ANDREWS as the Original Subordinated Unsecured Creditor and M SQUARED TECHNOLOGIES GROUP LIMITED as the Company, Original Debtor and Original Intra-Group Lender dated 13 November 2020.

PART 1 - FORM OF DEBTOR ACCESSION DEED

THIS AGREEMENT is made on ●[●] and made between:

- (1) [Insert Full Name of New Debtor] (the “**Acceding Debtor**”); and
- (2) [Insert Full Name of Current Security Agent] (the “**Security Agent**”), for itself and each of the other parties to the intercreditor agreement referred to below.

This agreement is made on [date] by the Acceding Debtor in relation to an intercreditor agreement (the “**Intercreditor Agreement**”) dated ●[●] between, amongst others, ●[●] as company, ●[●] as security agent, ●[●] as Agent, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement).

The Acceding Debtor intends to [incur Liabilities under the following documents] /[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:

[Insert details (date, parties and description) of relevant documents]

the “**Relevant Documents**”.

IT IS AGREED as follows:

- 1 Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Agreement, bear the same meaning when used in this Agreement.
- 2 The Acceding Debtor and the Security Agent agree that the Security Agent shall hold:
 - (a) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;
 - (b) all proceeds of that Security; and]¹
 - (c) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the

¹ Include to the extent that the Security created in the Relevant Documents is expressed to be granted to the Security Agent as trustee for the Secured Parties.

Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,

on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

- 3 The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.
- 4 [In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].²
- 5 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, Scots law.

IN WITNESS WHEREOF these presents consisting of this and the preceding [1] page[s] are executed as follows and delivered on ●[●].

Acceding Debtor

² Include this paragraph in the relevant Debtor Accession Deed if the Acceding Debtor is also to accede as an Intra-Group Lender to the Intercreditor Agreement.

SUBSCRIBED for and on behalf of the said ●[●]

at

on

by

Print Full name

Director

before this witness:

Print Full Name

Witness

Address:

The Security Agent

SUBSCRIBED for and on behalf of the said ●[●]
at Elie Fife
on 13 November 2020
by

Print Full name
before this witness:

Authorised Signatory

Print Full Name
Address:

Witness

PART 2 - FORM OF CREDITOR ACCESSION UNDERTAKING

To: [Insert full name of current Security Agent] for itself and each of the other parties to the Intercreditor Agreement referred to below.

[To: [Insert full name of current Agent] as Agent.]

From: [Acceding Creditor]

THIS UNDERTAKING is made on [date] by [insert full name of new Senior Lender/Subordinated [Secured]/[Unsecured] Creditor/Hedge Counterparty/Agent/Intra-Group Lender/] (the “**Senior Lender/Subordinated [Secured]/[Unsecured] Creditor/Hedge Counterparty /Agent / Intra-Group Lender**”) in relation to the intercreditor agreement (the “**Intercreditor Agreement**”) dated ●[●] between, among others, [INSERT NAME OF COMPANY] as company, [INSERT NAME OF SECURITY AGENT] as security agent, [INSERT NAME OF AGENT] as Agent, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking.

In consideration of the Acceding [Senior Lender/Subordinated [Secured]/[Unsecured] Creditor /Hedge Counterparty/Agent/Intra-Group Lender] being accepted as a [Senior Lender/Subordinated [Secured]/[Unsecured] Creditor/Hedge Counterparty/Agent/Intra-Group Lender] for the purposes of the Intercreditor Agreement, the Acceding [Senior Lender /Subordinated [Secured]/[Unsecured] Creditor /Hedge Counterparty/Agent/Intra-Group Lender] confirms that, as from [date], it intends to be party to the Intercreditor Agreement as a [Senior Lender/Subordinated [Secured]/[Unsecured] Creditor/Hedge Counterparty/Agent /Intra-Group Lender] and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a [Senior Lender/Subordinated [Secured]/[Unsecured] Creditor/Hedge Counterparty/Agent/Intra-Group Lender] and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

[The Acceding Hedge Counterparty has become a provider of hedging arrangements to the [Company]. In consideration of the Acceding Hedge Counterparty being accepted as a Hedge Counterparty for the purposes of the Senior Facilities Agreement, the Acceding Hedge Counterparty confirms, for the benefit of the parties to the Senior Facilities Agreement, that, as from [date], it intends to be party to the Senior Facilities Agreement as a Hedge Counterparty, and undertakes to perform all the obligations expressed in the Senior Facilities Agreement to be assumed by a Hedge Counterparty and agrees that it shall be bound by all the provisions of the Senior Facilities Agreement, as if it had been an original party to the Senior Facilities Agreement as a Hedge Counterparty.]³

³ Include only in the case of a Hedge Counterparty which is using this undertaking to accede to the Senior Facilities Agreement in accordance with paragraph (c) of Clause 19.8 (Creditor Accession Undertaking).

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

IN WITNESS WHEREOF these presents consisting of this and the preceding [1] page[s] are executed as follows and delivered on ●[●].

Acceding Creditor

SUBSCRIBED for and on behalf of the said ●[●]

at

on

by

Print Full name

Director

before this witness:

Print Full Name

Witness

Address:

Address for notices:

Address:

Accepted by the Security Agent

[Accepted by the Agent]

for and on behalf of [Insert full name of
current Security Agent]

for and on behalf of [Insert full name of
Agent]

Date:

Date⁴

⁴ Include only in the case of a Hedge Counterparty which is using this undertaking to accede to the Senior Facilities Agreement.

PART 3 - FORM OF DEBTOR RESIGNATION REQUEST

To: ●[●] as Security Agent

From: [Resigning Debtor] and [Company]

Dated:

Dear Sirs

**[Company] - ●[●] Intercreditor Agreement
dated ●[●] (the "Intercreditor Agreement")**

- 5 We refer to the Intercreditor Agreement. This is a Debtor Resignation Request. Terms defined in the Intercreditor Agreement have the same meaning in this Debtor Resignation Request unless given a different meaning in this Debtor Resignation Request.
- 6 Pursuant to Clause [19.13] (Resignation of a Debtor) of the Intercreditor Agreement we request that [resigning Debtor] be released from its obligations as a Debtor under the Intercreditor Agreement.
- 7 We confirm that:
- (a) no Default is continuing or would result from the acceptance of this request; and
- (b) [resigning Debtor] is under no actual or contingent obligations in respect of the Subordinated Liabilities and the Intra-Group Liabilities.
- 8 This letter and any non-contractual obligations arising out of or in connection with it are governed by Scots law.

for and on behalf of [Insert full name of
current Security Agent]

for and on behalf of [Insert full name of
Agent]

[Company]

[resigning Debtor]]

By:

By:

To: **SANTANDER UK PLC** as Agent and Security Agent for itself and each of the other parties to the Facilities Agreement and the Intercreditor Agreement referred to below.

From: **THE ENTITIES** listed in the Schedule (the “**Acceding Obligors**”) and M Squared Technologies Group Limited as the Company.

Dated: 13 November 2020

Dear Sirs

M Squared Technologies Group Limited – Santander UK Plc Senior Facilities Agreement
dated 13 November 2020 (the “Facilities Agreement”)

1. We refer to the Facilities Agreement and to the Intercreditor Agreement. This deed (the “**Accession Deed**”) shall take effect as an Accession Deed for the purposes of the Facilities Agreement and as a Debtor Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Other than in respect of paragraph 6 of this Accession Deed, terms defined in the Facilities Agreement have the same meaning in this Accession Deed, unless given a different meaning in this Accession Deed.
2. M-Squared Lasers Limited agrees to become an Additional Borrower and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional Borrower pursuant to Clause 27.2 (*Additional Borrowers*).
3. Each Acceding Obligor agrees to become an Additional Guarantor and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional Guarantor pursuant to Clause 27.3 (*Additional Guarantors*) of the Facilities Agreement.
4. The Parent confirms that no Default is continuing or would occur as a result of each Acceding Obligor becoming an Additional Guarantor and M-Squared Lasers Limited also becoming an Additional Borrower.
5. Each Acceding Obligor’s administrative details for the purposes of the Facilities Agreement and the Intercreditor Agreement are as follows:

Address: Venture Building 1 Kelvin Campus, West of Scotland Science Park, Maryhill Road, Glasgow, G20 0SP

Attention: Stuart Malcolm
6. Each Acceding Obligor (for the purposes of this paragraph 6 an “**Acceding Debtor**”) intends to incur Liabilities under the following documents to which it is a party:
 - (a) the Facilities Agreement;
 - (b) the Intercreditor Agreement;
 - (c) the Transaction Security Documents; and
 - (d) the PIK Loan Note Documents,the documents listed in paragraphs (a) – (c) being, the “**Relevant Documents**”.



IT IS AGREED as follows:

- (a) For the purposes of this paragraph, terms defined in the Intercreditor Agreement shall, unless otherwise defined in this paragraph, bear the same meaning when used in this paragraph.
- (b) Each Acceding Debtor and the Security Agent agree that the Security Agent shall hold:
 - (i) any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;
 - (ii) all proceeds of that Security; and
 - (iii) all obligations expressed to be undertaken by the Acceding Debtors to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtors (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.
- (c) Each Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.
- (d) In consideration of each Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, each Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

7. Where executed in counterparts:

7.1 this Accession Deed shall not take effect until all of the counterparts have been delivered; and

7.2 delivery will take place when the date of delivery is agreed between the Parties after execution of this Accession Deed as evidenced by the date inserted at the start of this Accession Deed.

8. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by Scots law.

IN WITNESS WHEREOF these presents consisting of this and the preceding two pages together with the schedule annexed hereto are executed in counterpart as follows and delivered on the date stated at the beginning of this Accession Deed.

The Acceding Obligors

SUBSCRIBED for and on behalf of the said M-SQUARED LASERS LIMITED

Tangley,
at Hampshire

on 12 November 2020

(date of signature)

by

Stuart Malcolm

Print Full name



Director/Authorised Signatory

SUBSCRIBED for and on behalf of the said M SQUARED LIFE LIMITED

at Tangley,
Hampshire

on 12 November 2020

(date of signature)

by

Stuart Malcolm

Print Full name


Director/Authorised Signatory

SUBSCRIBED for and on behalf of the said SOLUS TECHNOLOGIES LIMITED

at Tangley,
Hampshire

on 12 November 2020

(date of signature)

by

Stuart Malcolm

Print Full name


Director/Authorised Signatory

SUBSCRIBED for and on behalf of the said M SQUARED LASERS, INC.

at Tangley,
Hampshire

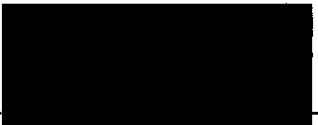
on 12 November 2020

(date of signature)

by

Stuart Malcolm

Print Full name


~~President/Vice President/Treasurer and
Secretary~~

The Parent

SUBSCRIBED for and on behalf of the said M SQUARED TECHNOLOGIES GROUP LIMITED

at Tangley,
Hampshire

on 13 November 2020

(date of signature)

by

Stuart Malcolm

Print Full name

Director/Authorised Signatory

The Security Agent

Santander UK Plc

By: [REDACTED]

Date: 12 November 2020

Authorised Signatory: Richard Mathison

The Agent

Santander UK Plc

By: [REDACTED]

Date: 12 November 2020

Authorised Signatory: Richard Mathison

This is the schedule referred to in the preceding Accession Deed between the Agent, the Security Agent, the Parent and the Additional Obligors delivered on 13 November 2020

SCHEDULE

Additional Obligors

Company	Registration Number	Jurisdiction of Incorporation
M-Squared Lasers Limited	SC243330	Scotland
M Squared Life Limited	SC522938	Scotland
Solus Technologies Limited	SC303447	Scotland
M Squared Lasers, Inc.	4930155	Delaware