



Registration of a Charge

Company Name: **IDEAL STANDARD (UK) LIMITED**

Company Number: **00091891**



Received for filing in Electronic Format on the: **23/01/2023**

XBVTSE6Q

Details of Charge

Date of creation: **23/01/2023**

Charge code: **0009 1891 0011**

Persons entitled: **KROLL TRUSTEE SERVICES LIMITED (AS SECURITY AGENT)**

Brief description: **ALL THAT FREEHOLD LAND AND BUILDINGS LYING TO THE NORTH OF RUGELEY ROAD, ARMITAGE, RUGELEY, AS THE SAME IS REGISTERED AT HM LAND REGISTRY UNDER TITLE NUMBER SF596810.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **WILLIAM HEYWOOD**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 91891

Charge code: 0009 1891 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd January 2023 and created by IDEAL STANDARD (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd January 2023 .

Given at Companies House, Cardiff on 25th January 2023

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



Companies House



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

Dated 23 January 2023

Legal Mortgage

between

Ideal Standard (UK) Limited
as Chargor

Armitage Shanks Ltd
as Chargor

and

Kroll Trustee Services Limited
as Security Agent

White & Case LLP
5 Old Broad Street
London EC2N 1DW

Table of Contents

	Page
1. Definitions and Interpretation	1
2. Covenant to Pay	4
3. Creation of Security	4
4. Grant of Security	5
5. Perfection of Security	6
6. Liability of each Chargor	6
7. Representations	6
8. General Covenants	8
9. Property covenants	10
10. Powers of the Security Agent	15
11. When Security becomes Enforceable	16
12. Enforcement of Security	16
13. Receivers	18
14. Powers of Receiver	19
15. Delegation	21
16. Application of Proceeds	22
17. Costs and Indemnity	22
18. Further Assurance	23
19. Power of Attorney	23
20. Release	24
21. Assignment and Transfer	24
22. Set-Off	24
23. Amendments, Waivers and Consents	25
24. Partial Invalidity	25
25. Counterparts	25
26. Third Party Rights	25
27. Further Provisions	26
28. Notices	26
29. Governing Law and Jurisdiction	27
Schedule 1 Property	28
Schedule 2 Forms of Letter for Insurers	29
Part 1 Notice to Insurer	29
Part 2 Acknowledgment of Insurer	31
Schedule 3 Forms of Letter for Other Contracts	32
Part 1 Notice to Counterparty	32
Part 2 Acknowledgement of Counterparty	34

This Deed is made on 23 January 2023

Between:

- (1) **Ideal Standard (UK) Limited** a private limited liability company incorporated under the laws of England and Wales with company number 00091891, having its registered office at The Bathroom Works, National Avenue, Hull, England, HU5 4HS (“**Ideal**”);
- (2) **Armitage Shanks Ltd** a private limited liability company incorporated under the laws of England and Wales with company number 04864346, having its registered office at The Bathroom Works, National Avenue, Hull, England, HU5 4HS (“**Armitage**”, together with **Ideal**, the “**Chargors**”); and
- (3) **Kroll Trustee Services Limited** as security agent for and on behalf of the Secured Parties acting in accordance with and subject to the Facility Agreement (the “**Security Agent**”).

Whereas:

- (A) Each Chargor enters into this deed in connection with the Facility Agreement (as defined below).
- (B) Under this deed, each Chargor provides security to the Security Agent for the payment, performance and discharge of the Secured Liabilities.

It is agreed:

1. Definitions and Interpretation

1.1 Definitions

Capitalised terms defined in the Facility Agreement have the same meaning in this deed unless expressly defined in this deed. The following definitions also apply to this deed:

“**Acquisition Agreement**” means the asset purchase agreement dated 19 April 2017 between Gordon Brothers Finance Company Subsidiary, LLC as seller or lessor, **Ideal** and **Armitage** as purchasers or lessees.

“**Charged Assets**” means all the assets, property and undertaking of each Chargor, which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Charged Assets shall include references to any part of them).

“**Constitutional Documents**” means the constitutional documents of each Chargor.

“**Default Rate**” means the rate of interest calculated in accordance with clause 14.4 (*Default Interest*) of the Facility Agreement.

“**Delegate**” means any person appointed by the Security Agent or any Receiver under Clause 15 (*Delegation*) and any person appointed as attorney of the Security Agent, or any Receiver or Delegate.

“**Event of Default**” means any Event of Default (as such term is defined in the Facility Agreement).

“**Facility Agreement**” means the facility agreement dated on or about the date of this deed between, among others, **Ideal Standard s.r.o** as original borrower and the Security Agent as security agent.

“**Financial Collateral**” has the meaning given to that expression in the Financial Collateral Regulations.

“Financial Collateral Regulations” means the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).

“Fixtures” means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery and apparatus.

“Insurance Policy” means any policy of insurance or assurance in relation to the Property in which either Chargor may at any time have an interest.

“LPA 1925” means the Law of Property Act 1925.

“Property” means the property described in Schedule 1.

“Receiver” means a receiver or receiver and manager appointed by the Security Agent under Clause 13.

“Secured Liabilities” means all present and future obligations and liabilities of the Obligors to the Secured Parties, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Finance Documents, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

“Security” means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“Security Financial Collateral Arrangement” has the meaning given to that expression in the Financial Collateral Regulations.

“Security Period” means the period starting on the date of this deed and ending on the date on which the Security Agent is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2 Interpretation

Clause 1.2 (*Construction*) of the Facility Agreement shall apply, *mutatis mutandis*, to this deed, and also in this deed:

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- (b) a “person” includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party’s successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to “writing” or “written” includes email but not fax;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed;
- (l) any words following the terms “including”, “include”, “in particular”, “for example” or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (m) a reference to an “**amendment**” includes a novation, supplement or variation (and “**amend**” and “**amended**” shall be construed accordingly);
- (n) a reference to “assets” includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (o) a reference to an “**authorisation**” includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;
- (p) a reference to “**continuing**” in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- (q) a reference to “**determines**” or “**determined**” means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (r) a reference to a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

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

1.4 Nature of Security over Real Property

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

- (a) all buildings and fixtures and fittings (including trade and tenant’s fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- (b) the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;

- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of any Chargor in respect of the Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Finance Documents are incorporated into this deed.

1.6 Schedules

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

2. Covenant to Pay

Each Chargor shall, on demand, pay to the Security Agent and discharge the Secured Liabilities when they become due.

3. Creation of Security

- (a) All the security created under this deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b)
 - (i) If the rights of a Chargor under any document (the “**Document**”) cannot be secured by the date of this deed without the consent of any party or satisfaction of any other condition:
 - (A) the relevant Chargor must notify the Security Agent promptly;
 - (B) this Security will constitute security over all proceeds and other amounts which the relevant Chargor may receive, or has received, under the relevant Document but will exclude that Chargor’s other rights under that Document; and
 - (C) unless the Security Agent otherwise requires, the relevant Chargor must use its reasonable endeavours to obtain the required consent or satisfy the relevant condition.
 - (ii) If a Chargor obtains the required consent or satisfies the relevant condition:
 - (A) the relevant Chargor must notify the Security Agent promptly;
 - (B) all of that Chargor’s rights under that Document will immediately be secured in accordance with Clause 4 (*Grant of Security*); and

(C) Clause 8.7(a) will apply to that Document.

- (c) The Security Agent holds the benefit of this deed and this Security on trust for the Secured Parties.

4. Grant of Security

4.1 Legal Mortgage and Fixed Charges

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Agent:

- (a) by way of a first legal mortgage, the Property; and
- (b) by way of a first fixed charge:
 - (i) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under Clause 4.2;
 - (ii) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Assets and other documents to which each Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Assets or otherwise relating to the Charged Assets (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
 - (iii) all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business carried on at the Property or the use of any Charged Asset, and all rights in connection with them.

4.2 Assignment

- (a) As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee assigns to the Security Agent absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities all its rights:
 - (i) in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, provided that nothing in this Clause 4.2 shall constitute the Security Agent as mortgagee in possession; and
 - (ii) under the Acquisition Agreement.
- (b) To the extent that they have not been effectively assigned under paragraph (a)(ii) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(ii) above.

5. Perfection of Security

5.1 Registration of Legal Mortgage at the Land Registry

- (a) Each Chargor consents to an application being made by (or on behalf of) the Security Agent to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

“No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Kroll Trustee Services Limited referred to in the charges register or their conveyancer.”

- (b) The obligation on the part of the Security Agent to make further advances to each Chargor is deemed to be incorporated in this deed and each Chargor will apply or consent to the Security Agent applying (or application being made on its behalf) by way of Form CH2 to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title relating to any Property registered at HM Land Registry.

5.2 Further Advances

The Security Agent covenants with each Chargor that it shall perform any of its obligations to make advances under the Facility Agreement (including any obligation to make available further advances).

6. Liability of each Chargor

6.1 Liability not Discharged

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

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Agent that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Security Agent renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this Clause 6.1, might have discharged, or otherwise prejudiced or affected, the liability of that Chargor.

6.2 Immediate Recourse

Each Chargor waives any right it may have to require the Security Agent to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against that Chargor.

7. Representations

Each Chargor represents and warrants to the Security Agent on the date of this deed, the Closing Date and each Utilisation Date that:

7.1 Status

- (a) It is duly incorporated (or, as the case may be, organised) and validly existing under the laws of its jurisdiction of incorporation, (or, as the case may be, organisation).
- (b) It has the power to own its material assets and to carry on its business substantially as it is now being conducted, save to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

7.2 Binding Obligations

Subject to the Legal Reservations and the Perfection Requirements:

- (a) its obligations under this deed are valid, legally binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), this deed creates the valid and effective security interests which it purports to make, ranking (subject to any Liens permitted or not prohibited under schedule 11 (Restrictive Covenants and Events of Default) of the Facility Agreement) in accordance with the terms of such documents.

7.3 Non Conflict with Other Obligations

Subject to the Legal Reservations, the entry into and performance by it of, and the transactions contemplated by, this deed, do not contravene:

- (a) any law or regulation applicable to it in any material respect;
- (b) its constitutional documents in any material respect; or
- (c) any agreement or instrument binding upon it or any Restricted Subsidiary which are Material Subsidiaries or any of its or their respective assets,

to an extent which has or is reasonably likely to have a Material Adverse Effect.

7.4 Power and Authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this deed and to carry out the transactions contemplated by this deed.

7.5 Validity and Admissibility in Evidence

All Authorisations required by it in order:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this deed; and
- (b) to make this deed, subject to the Legal Reservations, admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and, subject to the Legal Reservations and Perfection Requirements, are in full force and effect (except for any Perfection Requirements in relation to the security constituted by this deed which Perfection Requirements will (if required to be so satisfied) be satisfied promptly after execution of this deed and in any event within applicable time limits pursuant to schedule 8 (Agreed Security Principles) of the Facility Agreement.

7.6 Governing Law and Enforcement

- (a) Subject to the Legal Reservations and Perfection Requirements, the choice of governing law of this deed as expressed in this deed will be recognised in its jurisdiction of incorporation.
- (b) Subject to the Legal Reservations and Perfection Requirements, (i) any judgment obtained in relation to this deed will be recognised and enforced in the jurisdiction of the governing law of this deed and (ii) any judgment obtained in relation to a this deed will be recognised and enforced in the jurisdiction of the governing law of this deed.

7.7 Insolvency

No corporate action has been taken nor have any steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it or any Material Subsidiary, in relation to:

- (a) any of the circumstances, procedures, steps or events referred to in clause 9 of part 3 of schedule 11 (*Restrictive Covenants and Events of Default*) of the Facility Agreement; or
- (b) any analogous procedure or steps taken in any jurisdiction,

other than and without prejudice to clause 9 of part 3 of schedule 11 (*Restrictive Covenants and Events of Default*) of the Facility Agreement any such steps or procedure taken solely as a result of its liabilities exceeding its assets or a Permitted Transaction.

8. General Covenants

8.1 Negative pledge and disposal restrictions

No Chargor shall at any time, except with the Security Agent's prior written consent:

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

8.2 Preservation of Charged Assets

No Chargor shall do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Agent or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this deed.

8.3 Compliance with laws and regulations

- (a) No Chargor shall, without the Security Agent's prior written consent, use or permit the Charged Assets to be used in any way contrary to law.
- (b) Each Chargor shall:
 - (i) comply with the requirements of any law or regulation relating to or affecting the Charged Assets or the use of them or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Assets or

their use or that are necessary to preserve, maintain or renew any Charged Asset; and

- (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Charged Assets.

8.4 Enforcement of Rights

Each Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with a Chargor and forming part of the Charged Assets of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Assets that the Security Agent may require from time to time.

8.5 Title Documents

- (a) Each Chargor shall promptly deposit with the Security Agent and the Security Agent shall, for the duration of this deed, be entitled to hold:
 - (i) all deeds and documents of title relating to the Charged Assets that are in the possession or control of either Chargor (and if these are not within the possession or control of a Chargor, that Chargor undertakes to obtain possession of all these deeds and documents of title); and
 - (ii) upon request of the Lenders, each Insurance Policy.
- (b) On completion of the registration of any charge pursuant to Clause 9.7, each Chargor shall promptly supply to the Security Agent a certified copy of the relevant Title Information Document issued by HM Land Registry.

8.6 Notice of misrepresentation and breach

Each Chargor shall, promptly on becoming aware of any of the same, notify the Security Agent in writing of:

- (a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this deed.

8.7 Notices to be given by each Chargor

- (a) Each Chargor shall:
 - (i) upon request of the Lenders in respect of each Insurance Policy, give notice to the relevant insurer that it has assigned all its rights in that Insurance Policy (including all claims, the proceeds of all claims and all returns of premiums in connection with that Insurance Policy) under Clause 4.2, substantially in the form of Part 1 of Schedule 2 (*Forms of Letter for Insurers*);
 - (ii) use reasonable endeavours to procure that each addressee of any such notice provides to the Security Agent an acknowledgement of that notice, substantially in the form of Part 2 of Schedule 2 (*Forms of Letter for Insurers*).
 - (iii) upon request of the Lenders in respect of the Acquisition Agreement, give notice to the relevant counterparty that it has assigned all its rights in the

Acquisition Agreement under Clause 4.2, substantially in the form of Part 1 of Schedule 3 (*Forms of Letter for Other Contracts*); and

- (iv) use reasonable endeavours to procure that each addressee of any such notice provides to the Security Agent an acknowledgement of that notice, substantially in the form of Part 2 of Schedule 3 (*Forms of Letter for Other Contracts*).
- (b) Each Chargor shall obtain the Security Agent's prior approval of the form of any notice or acknowledgement to be used under this Clause 8.7.

8.8 Maintenance of Status and Authorisation

Each Chargor will:

- (a) ensure that it has the right to conduct its business and will obtain and maintain all material consents and make all material filings necessary for the conduct of such business and take all steps necessary to ensure that the same are in full force and effect, save where non-compliance would not reasonably be expected to have a Material Adverse Effect; and
- (b) comply with all laws and regulations binding upon it save where non-compliance would not reasonably be expected to have a Material Adverse Effect.

8.9 Constitutional Documents

Each Chargor will comply in all respects with the terms of any Constitutional Documents or any shareholders agreements or similar agreements to which it is a party.

8.10 Centre of Main Interests

No Chargor shall without the prior written consent of the Security Agent deliberately cause or allow its "centre of main interests" (as that term is used in Article 3(1) of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast)) to change in a manner which would materially adversely affect the Security Agent.

8.11 Ownership

- (a) Each Chargor shall take all necessary or desirable steps to procure that Ideal becomes the legal owner of the Property by rectifying any transfer or other title defects, including (without limitation) at HM Land Registry.
- (b) Within 14 days of Ideal being registered as the legal owner of the Property at HM Land Registry, and if required by the Security Agent, Ideal will grant a supplemental legal mortgage over the Property in favour of the Security Agent, in form and substance satisfactory to the Security Agent.

9. Property covenants

9.1 Real Property Covenants

Each Chargor shall:

- (a) put and keep the Property in good and substantial repair and condition;
- (b) put and keep its Fixtures in a good state of repair and in good working order and condition and will immediately on request by the Security Agent, affix to any such asset (in a prominent position) a durable notice that such asset is subject to this deed;

- (c) perform all the material terms on its part contained in any lease, agreement for lease, licence or other agreement or document which gives that Chargor a right to occupy or use property comprised in the Property; and
- (d) duly and punctually comply with all material covenants and stipulations affecting the Property or the facilities (including access) necessary for the enjoyment and use of the Property and indemnify the Security Agent, any Delegate and/or Receiver in respect of any breach of those covenants and stipulations.

9.2 No alterations

- (a) No Chargor shall, without the Security Agent's prior written consent:
 - (i) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or
 - (ii) make or permit to be made any alterations to the Property or sever or remove, or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with Clause 9.1).
- (b) Each Chargor shall promptly give notice to the Security Agent if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

9.3 Investigation of Title

Each Chargor must grant the Security Agent or its legal advisers on request all facilities within the power of that Chargor to enable the Security Agent or its legal advisers (at the cost and expense of that Chargor) to:

- (a) carry out investigations of title to the Property; and
- (b) make such enquiries in relation to any part of the Property as a prudent mortgagee might carry out.

9.4 Report on Title

Each Chargor must, as soon as practicable after a reasonable request by the Security Agent, supply the Security Agent with a Report on Title of the Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature.

9.5 Notices received by each Chargor

Each Chargor must, within seven days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the Property (or any part of it) which would or would be reasonably likely to have a material adverse effect on the value, the ability to sell or let, or the use of any of the Property:

- (a) deliver a copy to the Security Agent;
- (b) inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement; and
- (c) comply with the requirements of the Security Agent in relation to any such communication.

9.6 Authorisations and Consents

Each Chargor will promptly apply for, obtain and promptly renew from time to time and maintain in full force and effect all Authorisations and consents and comply with the terms of

all such Authorisations and consents, and promptly make and renew from time to time all such filings, as may be required under any applicable law or regulation to enable it to enter into, and perform its obligations under this deed and to:

- (a) carry out the transactions contemplated by this deed and to ensure that, subject to the Legal Reservations, its obligations under this deed are valid, legally binding and enforceable; and
- (b) carry on its business save to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.7 Land Registry

Each Chargor shall, upon the Lenders' request:

- (a) promptly apply to HM Land Registry to register the legal mortgage created by Clause 4.1 (*Legal Mortgage and Fixed Charges*) and all other charges;
- (b) promptly submit to HM Land Registry the duly completed Form RX1 requesting the restriction and notice set out in Clause 5.1 (*Registration of Legal Mortgage at the Land Registry*) and Form CH2 in respect of the obligation to make further advances (if applicable);
- (c) promptly pay all appropriate registration fees; and
- (d) pending such applications (unless the Security Agent otherwise directs) register this deed in respect of such Real Property at the Land Charges Registry pursuant to the Land Charges Act 1972.

9.8 Third Party Interests

- (a) Each Chargor shall do all things within its power to procure that no person is registered as proprietor of any right or interest in respect of the Property (other than pursuant to this deed) and that no new right or interest arises under Schedules 1, 3 or 12 to the Land Registration Act 2002 after the date of this deed.
- (b) Whether or not the title to the Property is registered at HM Land Registry, in the event that any caution against first registration or any notice (whether agreed or unilateral) is registered against the title to all or any part of the Property, each Chargor shall immediately provide the Security Agent with full particulars of the circumstances relating to such registration of notice and if such notice or caution shall have been registered in order to protect a purported interest, the creation of which is not permitted under the Finance Documents, each Chargor shall immediately and at that Chargor's expense take such steps as the Security Agent may require to ensure that the caution or notice (as applicable) is withdrawn or cancelled.

9.9 Compensation Monies

Each Chargor shall hold on trust for the benefit of the Security Agent (and each Chargor hereby declares itself as a trustee accordingly) the amount of any statutory or other compensation (including the proceeds of any defective title, restrictive covenant or other indemnity policy or covenant relating to the Property) arising for its benefit from interference with the use and/or enjoyment of the Property or the curtailment of any easement, right or benefit relating thereto and all other compensation monies from time to time received by it in respect of the Property and (without prejudice to any rights, debts, claims and/or obligations having priority to the obligations imposed by this deed), apply the same in accordance with the terms of or as contemplated by the Facility Agreement.

9.10 Development restrictions

No Chargor shall, without the Security Agent's prior written consent:

- (a) make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- (b) carry out, or permit or suffer to be carried out, on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit, or suffer to be changed, the use of the Property.

9.11 Insurance

- (a) Each Chargor shall keep in place any Insurance Policy existing as of the date of this deed.
- (b) Each Chargor shall, if requested by the Security Agent, produce to the Security Agent each policy, certificate or cover note relating to any insurance required by Clause 9.11(a).
- (c) Each Chargor shall, if requested by the Security Agent at the request of the Lenders, procure that a note of the Security Agent's interest is endorsed on or the Security Agent is named as composite insured in respect of its own separate insurable interest under each Insurance Policy (other than public liability and third-party liability insurances) effected or maintained by it or any person on its behalf in accordance with Clause 9.11(a) but without the Security Agent having any liability for any premium in relation to those Insurance Policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

9.12 Insurance premiums

Each Chargor shall:

- (a) promptly pay all premiums in respect of each Insurance Policy required by Clause 9.11(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Security Agent so requires) give to the Security Agent copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy required by Clause 9.11(a).

9.13 No invalidation of insurance

No Chargor shall do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy required by Clause 9.11(a).

9.14 Proceeds from Insurance Policies

All monies payable under any Insurance Policy required by Clause 9.11(a) shall (whether or not the security constituted by this deed has become enforceable):

- (a) be paid immediately to the Security Agent;
- (b) if they are not paid directly to the Security Agent by the insurers, be held, pending such payment, by a Chargor as trustee of the same for the benefit of the Security Agent; and
- (c) be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this deed has become enforceable and, if the Security Agent so directs, in or towards discharge or reduction of the Secured Liabilities.

9.15 Leases and licences affecting the Property

No Chargor shall, without the Security Agent's prior written consent (which consent, in the case of paragraph (d) below, is not to be unreasonably withheld or delayed in circumstances in which that Chargor may not unreasonably withhold or delay its consent):

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

9.16 No restrictive obligations

No Chargor shall, without the Security Agent's prior written consent, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property.

9.17 Proprietary rights

Each Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the Security Agent's prior written consent.

9.18 Compliance with and enforcement of covenants

Each Chargor shall:

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

9.19 Payment of outgoings

Each Chargor shall pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on the Property or on its occupier.

9.20 Conduct of business on Property

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

9.21 Inspection

Each Chargor shall permit the Security, any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

9.22 VAT option to tax

No Chargor shall, without the Security Agent's prior written consent:

- (a) exercise any VAT option to tax in relation to the Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Security Agent in writing, before the date of this deed.

10. Powers of the Security Agent

10.1 Power to Remedy

- (a) The Security Agent shall be entitled (but shall not be obliged) to remedy, at any time, a breach by any Chargor of any of its obligations contained in this deed.
- (b) Each Chargor irrevocably authorises the Security Agent and its agents to do all things that are necessary or desirable for that purpose.
- (c) Each Chargor shall reimburse the Security Agent, on a full indemnity basis, for any monies the Security Agent expends in remedying a breach by that Chargor of its obligations contained in this deed and such monies shall carry interest in accordance with Clause 17.1.
- (d) In remedying any breach in accordance with this Clause 10.1, the Security Agent, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Security Agent may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

10.2 Exercise of Rights

- (a) The rights of the Security Agent under Clause 10.1 are without prejudice to any other rights of the Security Agent under this deed.
- (b) The exercise of any rights of the Security Agent under this deed shall not make the Security Agent liable to account as a mortgagee in possession.

10.3 Security Agent has Receiver's Powers

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

10.4 Conversion of Currency

- (a) For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Security Agent may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this Clause 10.4) from their existing currencies of denomination into any other currencies of denomination that the Security Agent may think fit.

- (b) Any such conversion shall be effected at a then prevailing spot selling rate of exchange of the Security Agent's choice for such other currency against the existing currency.
- (c) Each reference in this Clause 10.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

10.5 Indulgence

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

11. When Security becomes Enforceable

11.1 Security becomes Enforceable on Event of Default

The security constituted by this deed shall become immediately enforceable if an Event of Default occurs and is continuing.

11.2 Discretion

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

12. Enforcement of Security

12.1 Enforcement Powers

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under Clause 11.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

12.2 Extension of Statutory Powers of Leasing

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

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

whether or not at a premium and containing such covenants on the part of a Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender),

as the Security Agent or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

12.3 Redemption of Prior Security

- (a) At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Security Agent may:
 - (i) redeem any prior Security over any Charged Asset;
 - (ii) procure the transfer of that Security to itself; and
 - (iii) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on a Chargor).
- (b) Each Chargor shall pay to the Security Agent immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

12.4 Protection of Third Parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Security Agent, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- (c) how any money paid to the Security Agent, any Receiver or any Delegate is to be applied.

12.5 Privileges

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

12.6 Exclusion of Liability

Neither the Security Agent, nor any Receiver or Delegate, shall be liable to any Chargor or any other person:

- (a) (by reason of entering into possession of a Charged Asset, or for any other reason) to account as mortgagee in possession in respect of all or any of the Charged Assets;
- (b) for any loss on realisation, or for any act, default or omission for which a mortgagee in possession might be liable; or
- (c) for any expense, cost, loss or liability:
 - (i) relating to the enforcement of, or any failure to enforce or delay in enforcing, any security constituted by or pursuant to this deed;
 - (ii) relating to an exercise of rights, or by any failure to exercise or delay in exercising, rights under this deed; or
 - (iii) arising in any other way in connection with this deed,

except that this does not exempt the Security Agent or any Receiver or Delegate from liability for losses caused by the gross negligence, fraud or wilful misconduct of the Security Agent or the relevant Receiver or Delegate.

12.7 Relinquishing Possession

If the Security Agent, any Receiver or Delegate enters into or takes possession of a Charged Asset, it or they may at any time relinquish possession.

12.8 Conclusive Discharge to Purchasers

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

12.9 Right of Appropriation

(a) To the extent that:

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

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

(b) Each Chargor agrees that the method of valuation provided for in this Clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

13. Receivers

13.1 Appointment

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

13.2 Removal

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

13.3 Remuneration

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

13.4 Power of Appointment Additional to Statutory Powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Security Agent under the Insolvency Act 1986, the LPA 1925 or otherwise,

and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

13.5 Power of Appointment Exercisable Despite Prior Appointments

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

13.6 Agent of each Chargor

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

14. Powers of Receiver

14.1 Powers Additional to Statutory Powers

- (a) Any Receiver appointed by the Security Agent under this deed shall, in addition to the rights, powers and discretions conferred on them by statute, have the rights, powers and discretions set out in Clause 14.2 to Clause 14.20.
- (b) A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether they are an administrative receiver or not.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing them states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (d) Any exercise by a Receiver of any of the powers given by Clause 14 may be on behalf of a Chargor, the directors of a Chargor or themselves.

14.2 Repair and Develop the Properties

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

14.3 Grant or Accept Surrenders of Leases

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

14.4 Employ Personnel and Advisers

- (a) A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that they think fit.
- (b) A Receiver may discharge any such person or any such person appointed by a Chargor.

14.5 Make and Revoke VAT Options to tax

A Receiver may make, exercise or revoke any VAT option to tax as they think fit.

14.6 Charge for Remuneration

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

14.7 Take Possession

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

14.8 Manage or Reconstruct a Chargor's Business

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

14.9 Dispose of Charged Assets

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

14.10 Sever Fixtures and Fittings

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

14.11 Give Valid Receipts

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

14.12 Make Settlements

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

14.13 Bring Legal Action

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

14.14 Insure

A Receiver may, if they think fit, but without prejudice to the indemnity in Clause 17.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by a Chargor under this deed.

14.15 Form Subsidiaries

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

14.16 Borrow

A Receiver may, for whatever purpose they think fit, raise and borrow money either unsecured or on the security of all or any of the Charged Assets in respect of which they are appointed on any terms that they think fit (including, if the Security Agent consents, terms under which that security ranks in priority to this deed).

14.17 Redeem Prior Security

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

14.18 Delegation

A Receiver may delegate their powers in accordance with this deed.

14.19 Absolute Beneficial Owner

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

14.20 Incidental powers

A Receiver may do any other acts and things that they:

- (a) may consider desirable or necessary for realising any of the Charged Assets;
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- (c) lawfully may or can do as agent for a Chargor.

15. Delegation

15.1 Delegation

The Security Agent or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it or them by this deed (including the power of attorney granted under Clause 19.1 (*Appointment of Attorneys*)).

15.2 Terms

The Security Agent and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it or they think fit.

15.3 Liability

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

16. Application of Proceeds

16.1 Order of Application of Proceeds

All monies received or recovered by the Security Agent, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be held by the Security Agent and applied in accordance with the Facility Agreement. This Clause 16.1:

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

16.2 Appropriation

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

16.3 Suspense Account

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

- (a) may, at the discretion of the Security Agent, Receiver or Delegate, be credited to a suspense account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Security Agent and a Chargor; and
- (c) may be held in that account for so long as the Security Agent, Receiver or Delegate thinks fit.

17. Costs and Indemnity

17.1 Costs

Each Chargor shall, promptly on demand, pay to, or reimburse, the Security Agent, any Delegate and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Security Agent, any Receiver or any Delegate in connection with:

- (a) the negotiation, preparation, execution and delivery of this deed;
- (b) the Charged Assets;
- (c) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Agent's, a Receiver's or a Delegate's rights under this deed;
- (d) any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) under or in connection with this deed;
- (e) any release of any security constituted by this deed; or
- (f) taking proceedings for, or recovering, any of the Secured Liabilities,

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

17.2 Indemnity

- (a) Each Chargor shall, promptly on demand, indemnify the Security Agent, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
 - (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Assets;
 - (ii) taking, holding, protecting, perfecting, preserving, releasing or enforcing (or attempting to do so) the security constituted by this deed; or
 - (iii) any default or delay by a Chargor in performing any of its obligations under this deed.
- (b) Any past or present employee or agent may enforce the terms of this Clause 17.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

18. Further Assurance

18.1 Further Assurance

Each Chargor shall promptly, at its own expense, take whatever action the Security Agent or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security created or intended to be created by this deed;
- (b) facilitating the realisation of any Charged Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Security Agent or any Receiver in respect of any Charged Asset,

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

19. Power of Attorney

19.1 Appointment of Attorneys

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

- (a) that Chargor is required to execute and do under this deed; or

- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Security Agent, any Receiver or any Delegate.

19.2 Ratification of Acts of Attorneys

Each Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in Clause 19.1.

20. Release

20.1 Release

Subject to Clause 27.3 (*Discharge Conditional*), at the end of the Security Period, the Security Agent shall, at the request and cost of a Chargor, take whatever action is necessary to:

- (a) release the Charged Assets from the security constituted by this deed; and
- (b) reassign the Charged Assets to that Chargor.

21. Assignment and Transfer

21.1 Assignment by Security Agent

- (a) At any time, without the consent of a Chargor, the Security Agent may assign any of its rights or transfer any of its rights and obligations under this deed.
- (b) The Security Agent may disclose to any actual or proposed assignee or transferee any information in its possession that relates to a Chargor, the Charged Assets and this deed that the Security Agent considers appropriate.

21.2 Assignment by Chargor

Each Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this deed or enter into any transaction which would result in any of those rights or obligations passing to another person.

22. Set-Off

22.1 Security Agent's Right of Set-Off

The Security Agent may at any time set off any liability of each Chargor to the Security Agent against any liability of the Security Agent to that Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Security Agent may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Security Agent of its rights under this Clause 22.1 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

22.2 No Obligation to Set Off

The Security Agent is not obliged to exercise its rights under Clause 22.1. If it does exercise those rights it must promptly notify a Chargor of the set-off that has been made.

22.3 Exclusion of Chargor's Right of Set-Off

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

23. Amendments, Waivers and Consents

23.1 Amendments

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

23.2 Waivers and Consents

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

23.3 Rights and Remedies

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

24. Partial Invalidity

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

25. Counterparts

This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

26. Third Party Rights

- (a) Except as expressly provided elsewhere in this deed, a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed.
- (b) Notwithstanding any term of this deed, the consent of any person who is not a party to this deed is not required to rescind or vary this deed at any time.

27. Further Provisions

27.1 Independent Security

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

27.2 Continuing Security

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

27.3 Discharge Conditional

Any release, discharge or settlement between a Chargor and the Security Agent shall be conditional on no payment or security received by the Security Agent in respect of the Secured Liabilities being avoided, reduced, set aside or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or for any other reason. Despite any such release, discharge or settlement:

- (a) the Security Agent or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Assets, for any period that the Security Agent deems necessary to provide the Security Agent with security against any such avoidance, reduction or order for refund; and
- (b) the Security Agent may recover the value or amount of such security or payment from a Chargor subsequently as if the release, discharge or settlement had not occurred.

27.4 Certificates

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

27.5 Consolidation

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

28. Notices

28.1 Delivery

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

- (a) each Chargor at MRoelandt@idealstandard.com / LoanClosers@anchoragecap.com / legalteamcredit@cvc.com marked for the attention of Michael Roelandt / Melissa Griffiths / CVC Credit Partiers Legal Team; and
- (b) the Security Agent at deals@ats.kroll.com and sajdah.afzal@kroll.com marked for the attention of Sajdah Afzal (Senior Transaction Manager), Kroll Agency and Trustee Services Limited,

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

28.2 Receipt by Chargor

Any notice or other communication that the Security Agent gives to a Chargor shall be deemed to have been received when received in legible form.

28.3 Receipt by Security Agent

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

28.4 Service of Proceedings

This Clause 28 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29. Governing Law and Jurisdiction

29.1 Governing Law

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

29.2 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (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 England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1

Property

All that freehold land and buildings lying to the north of Rugeley Road, Armitage, Rugeley, as the same is registered at HM Land Registry under title number SF596810.

Schedule 2 Forms of Letter for Insurers

Part 1 Notice to Insurer

To: [Insurer]

Copy: Kroll Trustee Services Limited as security agent (the “Security Agent”)

[Date]

Dear Sirs,

Legal mortgage dated [●] between Ideal Standard (UK) Limited, Armitage Shanks Ltd and the Security Agent (the “Security Agreement”)

1. This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to the Security Agent all our rights in respect of [*insert details of contract of insurance*] (the “Insurance”).
2. We confirm that:
 - (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
 - (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).
3. We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).
4. We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance requested from you by the Security Agent.
5. The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.
6. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
7. Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [*address*] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[Ideal Standard (UK) Limited/Armitage Shanks Ltd]

Part 2 Acknowledgment of Insurer

To: Kroll Trustee Services Limited as security agent (the “Security Agent”)

Copy: [Ideal Standard (UK) Limited/Armitage Shanks Ltd] as chargor (the “Chargor”)

[Date]

Dear Sirs,

Legal mortgage dated [●] between the Chargor, [Ideal Standard (UK) Limited/Armitage Shanks Ltd] and the Security Agent (the “Security Agreement”)

1. We confirm receipt from the Chargor of a notice dated [●] (the “Notice”) of an assignment on the terms of the Security Agreement of all the Chargor’s rights in respect of [*insert details of the contract of insurance*] (the “Insurance”).
2. We confirm that we:
 - (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
 - (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....

(Authorised signatory)

[Insurer]

Schedule 3

Forms of Letter for Other Contracts

Part 1 Notice to Counterparty

To: [Contract Counterparty]

Copy: Kroll Trustee Services Limited as security agent (the “Security Agent”)

[Date]

Dear Sirs,

Mortgage dated [●] between Ideal Standard (UK) Limited (“Ideal”), Armitage Shanks Ltd (“Armitage”) and the Security Agent (the “Security Agreement”)

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to the Security Agent all our rights in respect of the asset purchase agreement dated 19 April 2017 between Gordon Brothers Finance Company Subsidiary, LLC as seller or lessor, Ideal and Armitage as purchasers or lessees (the “Contract”).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.

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

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

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

Yours faithfully,

.....

(Authorised signatory)

Ideal Standard (UK) Limited

.....

(Authorised signatory)

Armitage Shanks Ltd

Part 2 Acknowledgement of Counterparty

To: Kroll Trustee Services Limited as security agent (the “Security Agent”)

Copy: Ideal Standard (UK) Limited (“Ideal”); and
Armitage Shanks Ltd (“Armitage”)

[Date]

Dear Sirs,

Mortgage dated [●] between Ideal, Armitage and the Security Agent (the “Security Agreement”)

We confirm receipt from Ideal and Armitage (the “Chargors”) of a notice dated [●] (the “Notice”) of an assignment on the terms of the Security Agreement of all the Chargors’ rights in respect of the asset purchase agreement dated 19 April 2017 between Gordon Brothers Finance Company Subsidiary, LLC as seller or lessor, Ideal and Armitage as purchasers or lessees (the “Contract”).

We confirm that we:

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

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

Yours faithfully,

.....

(Authorised signatory)

Gordon Brothers Finance Company Subsidiary, LLC

SIGNATURES

Chargors

Executed as deed by **Ideal Standard (UK)
Limited** acting by

DAVID BARBER a
director, in the presence of:

.....
Director

.....
Witness

JOANNE GUDGILL
.....

Witness Name:

Witness Occupation: COMPANY SECRETARY

Witness Address: THE BATHROOM WORKS
NATIONAL AVENUE
HULL
HU5 4HS

Executed as deed by Armitage Shanks Ltd
acting by

DAVID BARBER a
director, in the presence of:

Director

Witness

Witness Name: JOANNE ELWELL

Witness Occupation: COMPANY SECRETARY

Witness Address: THE BATHROOM WORKS
NATIONAL AVENUE
HULL
HU5 4HS

Security Agent

Executed as deed by **Kroll Trustee Services Limited** acting by

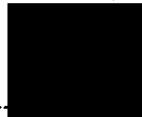
Sajdah Afzal an authorised signatory, in the presence of:

}



.....
Authorised Signatory

}



.....
Witness

.....
Witness Name: Azim Afzal

Witness Occupation: Self Employed

Witness Address: 39 District Road, Wembley
Middx HA0 2LE