



Registration of a Charge

Company Name: **REAL WORLD HOLDINGS LIMITED**

Company Number: **02226749**



XC3LR59D

Received for filing in Electronic Format on the: **15/05/2023**

Details of Charge

Date of creation: **09/05/2023**

Charge code: **0222 6749 0002**

Persons entitled: **HOMES AND COMMUNITIES AGENCY (TRADING AS HOMES ENGLAND)**

Brief description:

Contains fixed charge(s).

Contains floating 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: **SALLY GRECH**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2226749

Charge code: 0222 6749 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th May 2023 and created by REAL WORLD HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th May 2023 .

Given at Companies House, Cardiff on 17th May 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 *9 May* 2023

- (1) REAL WORLD HOLDINGS LIMITED
- (2) HOMES AND COMMUNITIES AGENCY (trading as Homes England)

THIRD PARTY SHARE CHARGE

AND

ASSIGNMENT OF SUBORDINATED DEBT

Clarke Willmott

We certify this is a true copy of the original

Clarke Willmott LLP

Solicitors

Date *12.05.23*

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THIS DEED is dated

9 May

2023 and is made between:

PARTIES

- (1) **REAL WORLD HOLDINGS LIMITED** a company incorporated in England and Wales with company number 02226749 whose registered office is at Mill Lane, Box, Corsham, Wiltshire, SN13 8PL (the **Chargor**); and
- (2) **HOMES AND COMMUNITIES AGENCY (trading as Homes England)** of One Friargate, Coventry, CV1 2GN (the "**Lender**").

BACKGROUND

- 1.1 The Lender has agreed to make available a loan facility to the Borrower (as defined below) on the terms and conditions set out in the Facility Agreement (as defined below).
- 1.2 It is a condition precedent to the availability of the loan facility that the Chargor enters into this Deed for the purpose of providing security in favour of the Lender in respect of the Secured Obligations (as defined below).

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise provided in this deed, terms defined in the Facility Agreement shall have the same meaning when used in this deed. In addition, the following definitions apply in this deed.

Borrower	means Real World Properties (RL83) Ltd, a company incorporated in England and Wales with registered number 11278733 whose registered office is at Mill Lane, Box, Corsham, Wiltshire, SN13 8PL.
Business Day	means a day other than a Saturday or Sunday on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market.
Delegate	any person appointed by the Lender or any Receiver pursuant to clause 13 (<i>Delegation</i>) and any person appointed as attorney of the Lender, Receiver or Delegate.
Facility Agreement	means the facility agreement dated on or about the date hereof between the Borrower and the Lender for the provision of the loan facility which amongst other things is secured by this deed.
Financial Collateral	shall have the meaning given to that expression in the Financial Collateral Regulations.
Finance Documents	means the "Finance Documents" under and as defined in the Facility Agreement.
Financial Collateral Regulations	means the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>).
Joint Venture Agreement	means the joint venture shareholders' agreement dated 12 October 2022 between (1) the Chargor; (2) Stonewood Builders Holdings Limited; and (3) the Borrower as varied by a deed of variation dated on or about the date hereof and made between the same parties;
LPA 1925	means the Law of Property Act 1925.
Receiver	means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 11 (<i>Receiver</i>).
Related Rights	means each and any of: 1. the proceeds of sale of any part of the Investments and/or the

Subordinated Debt;

2. all warrants options and other rights to (as applicable) subscribe for or otherwise acquire (whether pursuant to a right of pre-emption or otherwise) the Investments and/or the Subordinated Debt;

3. all rights, powers, offers, benefits, claims, contracts, warranties, remedies, Security Interests, guarantees, indemnities or covenants for title in respect of the Investments and/or the Subordinated Debt; and

4. all monies and proceeds paid or payable (including, without limitation and as applicable, any dividends or other distributions) in respect of the Investments and/or the Subordinated Debt.

Rights means any Security or any other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

Secured Assets means the Shares; the Subordinated Debt; the Subordinated Agreement; and all the assets, property and undertaking for the time being subject to any Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).

Secured Liabilities means all present and future monies, obligations and liabilities owed by the Borrower or the Chargor whether incurred under any of the Finance Documents or otherwise, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity and whether or not any of the Lender was an original party to the relevant transaction and in whatever name or style, together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities howsoever incurred (including, without limitation, those liabilities arising under clause 25.3.2 (*Discharge conditional*)).

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 shall have 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 Lender 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.

Shares means the shares held by the Chargor in the capital of the Borrower as specified in Schedule 1.

Site means as defined in the Facility Agreement.

Subordinated Agreement means the loan agreement dated 12 October 2022 and made between the Chargor as lender and the Borrower as borrower as varied by a deed of amendment dated on or about the date hereof between the same parties, and any other agreement or other document (including any entry by way of intra company account) evidencing the terms of any Subordinated Debt from time to time.

Subordinated Debt	the aggregate of all monies and liabilities of whatever nature (whether actual or contingent, as principal or surety) which are now or may at any future time be outstanding or otherwise due from the Borrower (as borrower/debtor) to the Chargor (as lender/creditor) on any account or in any manner.
Subordination Period	the period beginning on the date of this deed and ending on the date upon which the Lender confirms in writing that the whole of the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and that all facilities which might give rise to any Secured Liabilities have been cancelled or terminated.
VAT	means value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to 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) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a time of day is to London time;
- 1.2.6 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.7 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.8 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 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, supplemented or restated (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 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;
- 1.2.13 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.14 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;

- 1.2.15 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to a disposal of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions);
- 1.2.17 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
- 1.2.18 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 Lender considers that an amount paid by the Borrower or the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Perpetuity period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.5 Schedule

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

- 2.1 Subject to clause 2.3, the Chargor shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.
- 2.2 This deed secures any further advances made under or pursuant to the terms of the Facility Agreement and any other Finance Document.
- 2.3 Notwithstanding any other provision of this Deed, the Facility Agreement or any Finance Documents, it is expressly agreed that:
 - 2.3.1 the sole recourse of the Lender to the Chargor under this deed is to the Chargor's interest in the Secured Assets; and
 - 2.3.2 the liability of the Chargor to the Lender pursuant to or otherwise in connection with the Facility Agreement and/or Finance Documents shall be:
 - (a) limited in aggregate to an amount equal to that recovered as a result of enforcement of this deed with respect to the Secured Assets; and
 - (b) satisfied only from the proceeds of sale or other disposal or realisation of the Secured Assets pursuant to this deed.

3 GRANT OF SECURITY

3.1 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender by way of first fixed charge:

- 3.1.1 all the Shares owned by it;
- 3.1.2 all its interest in the Subordinated Debt (including all rights of enforcement of the same); and
- 3.1.3 all Related Rights

3.2 Assignment

As continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns absolutely subject to the provisions of Clause 18 (*Release*) to the Lender all of its rights and interests (including all rights of enforcement of the same) under each Subordinated Agreement.

3.3 Notice of Assignment

- (a) The Chargor shall immediately upon the execution of this Deed give notice substantially in the form set out in Part 1 of Schedule 2 (*Form of notice to counterparties in respect of Subordinated Agreement*) to the Borrower and any counterparty to any Subordinated Agreement of the assignment pursuant to Clause **Error! Reference source not found.** of its interest in each Subordinated Agreement and procure that each addressee of such notice will promptly provide an acknowledgement to the Lender in the form set out in Part 2 of Schedule 2 (*Form of acknowledgement from counterparties in respect of Subordinated Agreement*).
- (b) The Chargor shall within three (3) Business Days of the entry into any Subordinated Agreement not in existence as at the date of this Deed give notice substantially in the form set out in Part 1 of Schedule 2 (*Form of notice to counterparties in respect of Subordinated Agreement*) to the Borrower and any counterparty to each Subordinated Agreement of the assignment pursuant to Clause 3.2 of its interest in the applicable Subordinated Agreement and procure that each addressee of such notice will promptly provide an acknowledgement to the Lender in the form set out in Part 2 of Schedule 2 (*Form of acknowledgement from counterparties in respect of Subordinated Agreement*).

4 LIABILITY OF THE BORROWER

4.1 Liability not discharged

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

- 4.1.1 any Security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction contemplated by any Finance Document 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
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

4.2 Immediate recourse

The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, the Borrower or any other person before enforcing this deed against the Chargor.

4.3 Chargor's liability

The Chargor's liability under this deed shall not be discharged, prejudiced or affected by:

- 4.3.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal or any right or remedy that the Lender may now or after the date of this deed have from or against the Borrower, the Chargor or any other person in connection with the Secured Liabilities;
- 4.3.2 any act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security, indemnity or guarantee from or against the Borrower, the Chargor or any other person; and
- 4.3.3 any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Liabilities.

4.4 Non-competition

The Chargor warrants to the Lender that it has not taken or received, and shall not take, exercise or receive, the benefit of any Rights from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this deed but:

- 4.4.1 if any of the Rights is taken, exercise or received by the Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the charged on trust for the Lender for application in or towards the discharge of the Secured Liabilities under this deed; and
- 4.4.2 on demand by the Lender, the Chargor shall promptly transfer, assign or pay to the Lender all Rights and all monies from time to time held on trust by the Chargor under this clause 4.4.

5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

The Chargor makes the representations and warranties set out in this clause 5 to the Lender.

5.2 Power

- 5.2.1 The Chargor has the power to enter into, deliver and perform and has taken all necessary action to authorise its entry into, delivery and performance of this deed and the transactions contemplated by it.

5.3 Non-contravention

The entry into and performance by the Chargor of, and the transactions contemplated by, this deed do not and will not contravene or conflict with:

- 5.3.1 any agreement or instrument binding on it or constitute a default or termination event (however described) under any such agreement or instrument which for the avoidance of doubt but without limitation includes the Joint Venture Agreement; or
- 5.3.2 any law or judicial or official order applicable to it.

5.4 Authorisations

5.4.1 The Chargor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this deed. Any such authorisations are in full force and effect.

5.5 Binding obligations

5.5.1 the Chargor's obligations under this deed are legal, valid, binding and enforceable; and

5.5.2 this deed creates valid, legally binding and enforceable Security for the obligations expressed to be secured by it in favour of the Lender, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security Interest and rights of third parties, except those preferred by law.

5.6 Litigation

No litigation, arbitration or administrative proceedings are taking place, pending or, to the Chargor's knowledge, threatened against it or any of its assets.

5.7 Assets not immune to action

None of the Chargor's assets are entitled to immunity on any grounds from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other enforcement).

5.8 No default

No event or circumstance is outstanding which constitutes a default under any deed or instrument which is binding on the Chargor, or to which its assets are subject, which might have a material adverse effect on the Chargor's ability to perform its obligations under this deed.

5.9 Shares and Ownership of Secured Assets

5.9.1 The Shares are fully paid or otherwise impose no further obligation on the person entitled thereto and are not subject to any option to purchase or similar rights.

5.9.2 The Shares represent 50% of the issued share capital of the Borrower and, save for the Shares held by Stonewood Builders Holdings Limited in the Borrower, no other person has any option, warrant or other similar right to subscribe for any shares of the Borrower.

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

5.9.4 The constitutional documents of the issuer of the Shares do not:

(a) restrict or inhibit any transfer of the Shares on creation or enforcement of the security constituted by this deed; or

(b) contain any rights of pre-emption.

5.9.5 The Chargor has complied with all notices relating to all or any of the Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.9.6 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Shares.

5.10 Subordinated Debt

5.10.1 The Chargor is the sole legal and beneficial owner of the Subordinated Debt.

5.10.2 No payments to the Chargor by any other party to a Subordinated Agreement are subject to any right of set-off or similar right.

5.10.3 The obligations expressed to be assumed by the Chargor in each Subordinated Agreement are legal, valid, binding and enforceable obligations.

5.10.4 Neither the Chargor nor (so far as it is aware) any other party to a Subordinated Agreement is in default of any of its material obligations under that Subordinated Agreement.

5.10.5 There is no prohibition on assignment, or other restriction on the creation of security by the Chargor, in respect of any of the Subordinated Debt or its rights under any Subordinated Agreement.

5.11 No Security

The Secured Assets are free from any Security other than the Security created by this deed.

5.12 No adverse claims

The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.13 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.14 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.15 Avoidance of security

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

5.16 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms.

5.17 Times for making representations and warranties

The representations and warranties set out in clause 5.2 (*Power*) to clause 5.14 (*Enforceable security*) are made by the Chargor on the date of this deed and the representations and warranties are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6 COVENANTS

6.1 Negative pledge and disposal restrictions

The Chargor shall not at any time, except with the prior written consent of the Lender:

6.1.1 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;

6.1.2 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 Secured Assets;

6.1.3 transfer all or any part of, or any interest in the Secured Assets whether pursuant to the Joint Venture Agreement or otherwise; or

6.1.4 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 Compliance with laws and regulations

6.3.1 The Chargor shall comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them.

6.4 Enforcement of rights

The Chargor shall use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time.

6.5 Notice of misrepresentation and breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:

6.5.1 any representation or warranty set out in this deed that is incorrect or misleading when made or deemed to be repeated; and

6.5.2 any breach of any covenant set out in this deed.

6.6 Title to Secured Assets

The Chargor shall on the execution of this deed, deliver to the Lender, or as the Lender may direct:

6.6.1 all share certificates and other documents of title or evidence of ownership of the Secured Assets;

6.6.2 all stock transfer forms relating to the Secured Assets duly completed and executed by or on behalf of the Chargor but with the name of the transferee, the consideration and the date left blank; and

6.6.3 any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Lender may request to enable it, or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain legal title to, or to perfect its security interest in any of the Secured Assets,

6.6.4 so that the Lender may, at any time and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Secured Assets for registration.

6.7 Nominations

6.7.1 The Chargor shall immediately terminate all nominations it may have made in respect of any Secured Asset and, pending such termination, procure that any person so nominated:

(a) does not exercise any rights in respect of any Secured Asset without the prior written approval of the Lender; and

(b) immediately upon receipt by it, forward to the Lender all communications or other information received by it in respect of any Secured Asset for which it has been so nominated.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are acceptable to the Lender, and must be for not less than the replacement value of the Secured Assets.

- 6.7.2 The Chargor shall not at any time during the Security Period exercise the right to nominate any person other than the Lender to enjoy or exercise any right relating to any of the Secured Assets.

6.8 Pre-emption rights and restrictions on transfer

The Chargor shall:

- 6.8.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of the issuers of the Shares, for the transfer of the Secured Assets to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and
- 6.8.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of the issuers of the Shares in any manner that the Lender may require in order to permit the transfer of the Secured Assets to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

6.9 Calls and other obligations

- 6.9.1 Notwithstanding the security created by this deed, the Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any part of the Secured Assets.
- 6.9.2 If the Chargor fails to do so, the Lender may, at its discretion but without obligation, pay the calls, instalments or other payments on behalf of the Borrower.
- 6.9.3 The Chargor shall, immediately on request by the Lender, reimburse the Lender for any payment made by it under this clause 6.9.
- 6.9.4 The Chargor shall comply with, and shall remain liable to perform, all of the other conditions and obligations assumed by it in respect of all or any part of the Secured Assets.

6.10 Changes to rights

- 6.10.1 The Chargor shall not take, or allow the taking of, any action on its behalf which may result in the rights attaching to, or conferred by, all or any of the Secured Assets being altered.
- 6.10.2 The Chargor shall not cause or permit:
- (a) any of the Secured Assets to be consolidated, sub-divided or converted;
 - (b) the other shares/investments/securities of the issuer of any Shares to be re-organised, exchanged or repaid; or
 - (c) any further shares in the share capital of the issuer of any Shares to be issued.

6.11 Compliance with requests for information

The Borrower shall promptly copy to the Lender and comply with all requests for information which are made under the Companies Act 2006 (including, without limitation, under sections 790D and 790E of the Companies Act 2006) relating to all or any part of the Secured Assets. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.

6.12 Compliance with the Subordinated Agreement

The Chargor shall duly and promptly perform its obligations under each Subordinated Agreement.

6.13 Information

The Chargor shall:

- 6.13.1 promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Secured Assets; and
- 6.13.2 promptly notify the Lender in writing of any action, claim, notice or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense.

6.14 Subordinated Debt

- 6.14.1 After the Security created by this Deed has become enforceable, the Lender may exercise, without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor, the Chargor's rights under each Subordinated Agreement.
- 6.14.2 The Chargor hereby confirms that the Subordinated Debt is subordinated to the Secured Liabilities in all respects.
- 6.14.3 The Chargor covenants that, at all times during the Subordination Period, it will not:
 - (a) demand, sue, claim, prove for, accept or receive payment, prepayment or repayment of, or any distribution in respect or on account of, any of the Subordinated Debt in cash or in kind and whether on account of principal, interest or, damages for breach of the terms of the Subordinated Debt;
 - (b) discharge, release or reduce any of the Subordinated Debt by set-off, netting, any right of combination of accounts or in any other manner;
 - (c) amend, vary, waive or release any term of any of the Subordinated Agreements;
 - (d) enter into any arrangement under which the Subordinated Creditor is not to enforce the Borrower's obligations in relation to the Subordinated Debt;
 - (e) enter into an arrangement for its benefit where the value provided by the Borrower exceeds the value received by the Borrower;
 - (f) receive credit from the Borrower, or permit the Borrower to grant any guarantee or Security in respect of any of the Chargor's liabilities;
 - (g) receive any kind of distribution of the Borrower's assets, whether in cash, shares or otherwise;
 - (h) take or omit to take any action whereby the subordination of the Subordinated Debt under this Deed might be terminated, impaired or adversely affected;
 - (i) make any application or take any step (including presentation of a petition, convening a meeting or passing a resolution) or otherwise give support for the insolvency or re-organisation of the Borrower (unless otherwise instructed by the Lender (and where the Lender so instructs the Chargor

shall act on those instructions)); or

- (j) register or attempt to register any interest or restriction in respect of the Site whether referable to any Subordinated Debt owed to it or otherwise,

and to the extent that the Chargor receives any amount on account of the Subordinated Debt during the Subordination Period it shall promptly notify the Lender and shall hold those proceeds on trust for the Lender and pay them to the Lender immediately upon demand.

- 6.14.4 The Chargor further covenants that, at all times during the Subordination Period, it will remain entitled to the Subordinated Debt legally and beneficially, free from any Security (other than pursuant to this Deed), option, subordination or other rights in favour of any person, and will procure that the Subordinated Debt is not subject to any set-off, counterclaim or other defence.

6.15 Dividends and other fees

Notwithstanding any other provision of this deed, the Chargor acknowledges that no dividend, distribution, equity payment or other payment or fee may be paid to it by the Borrower save where the prior written consent of the Lender has been obtained in accordance with paragraph 3.6.1 of the Standard Terms and Conditions.

7 VOTING RIGHTS AND DIVIDENDS

7.1 Dividends and voting rights before enforcement

- 7.1.1 Before the security constituted by this deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Secured Assets and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request.
- 7.1.2 Before the security constituted by this deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Secured Assets or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (a) it shall not do so in any way that would breach any provision of the Finance Documents or this deed or for any purpose inconsistent with the Finance Documents or this deed; and
 - (b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed.
- 7.1.3 The Chargor shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Secured Assets at the direction of the Chargor.
- 7.1.4 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this deed.

7.2 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable, the Lender may at its discretion (in the name of the Chargor and without any further consent or authority from the Chargor and irrespective of any direction given by the Chargor):

- 7.2.1 exercise or refrain from exercising (or direct its nominee to exercise or refrain from

exercising) all voting rights and any other powers or rights in respect of the Secured Assets, and the Chargor shall comply, or procure compliance, with any directions the Lender may give, in its absolute discretion, in respect of the exercise of those voting and other rights and powers;

- 7.2.2 apply all dividends, interest or other monies paid or payable in respect of the Secured Assets in accordance with clause 14 (*Application of proceeds*) and, if any such dividends, interest or other monies are received by or on behalf of the Chargor, the Chargor shall hold all such dividends, interest and other monies on trust for the Lender and shall immediately pay them to the Lender or as it may direct;
- 7.2.3 complete all instruments of transfer held by it in relation to the Secured Assets in favour of itself or such other person as it may select and have the Secured Assets transferred into its name or the name of its nominee or, as applicable, into an account in its own name or the name of its nominee; and
- 7.2.4 in addition to any other power created under this deed, exercise or refrain from exercising (or direct its nominee to exercise or refrain from exercising) all the powers and rights conferred on or exercisable by the legal or beneficial owner of the Secured Assets.

8 POWERS OF THE LENDER

8.1 Power to remedy

- 8.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.
- 8.1.2 The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- 8.1.3 Any monies expended by the Lender in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 15.1 (*Costs*).

8.2 Exercise of rights

The rights of the Lender under clause 8.1 (*Power to remedy*) are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

8.3 Lender has Receiver's powers

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

8.4 No duties

- 8.4.1 The Lender shall not, in respect of any of the Secured Assets, have any duty or incur any liability for:
- 8.4.2 ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Secured Assets or the nature or sufficiency of any payment whether or not the Lender has or is deemed to have knowledge of such matters; or
- 8.4.3 taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Secured Assets.

8.5 Conversion of currency

- 8.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed

(including the proceeds of any previous conversion under this clause 8.5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.

8.5.2 Any such conversion shall be effected at the then prevailing spot selling rate of exchange of such bank as the Lender nominates for such other currency against the existing currency.

8.5.3 Each reference in this clause 8.5 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.

8.6 Indulgence

The Lender 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 the 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 the Chargor for the Secured Liabilities.

9 WHEN SECURITY BECOMES ENFORCEABLE

9.1 Security becomes enforceable on demand

The Security constituted by this deed shall be immediately enforceable if the Borrower fails to make any payments demanded by the Lender under the Facility Agreement.

9.2 Discretion

After the Security constituted by this deed has become enforceable, the Lender 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 Secured Assets.

10 ENFORCEMENT OF SECURITY

10.1 Enforcement powers

10.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 9.1 (*Security becomes enforceable on demand*).

10.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this deed. Any restriction imposed by law on the right of a mortgagee to consolidate mortgages (including under Section 93 of the LPA 1925) does not apply to the Security constituted by this deed and the Lender or any Receiver shall have the right to consolidate all or any of the Security constituted by this deed with any other Security in existence at any time.

10.2 Prior Security

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 Lender may:

10.2.1 redeem that or any other prior Security;

10.2.2 procure the transfer of that Security to it; and

10.2.3 settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of

any of those accounts shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest at the default rate of interest specified in the Facility Agreement and be secured as part of the Secured Liabilities.

10.3 Protection of third parties

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

- 10.3.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.3.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 10.3.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.

10.4 Privileges

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

10.5 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

10.6 Conclusive discharge to purchasers

The receipt of the Lender 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 Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

10.7 Right of appropriation

10.7.1 To the extent that:

- (a) the Secured Assets constitute Financial Collateral; and
- (b) this deed and the obligations of the Borrower under it constitute a Security Financial Collateral Arrangement,

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

10.7.2 The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other method that the Lender may select (including independent valuation).

10.7.3 The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

11 RECEIVER

11.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, the Lender 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 Secured Assets.

11.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), 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.

11.3 Remuneration

The Lender 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, which shall be due and payable immediately on its being paid by the Lender.

11.4 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 Lender 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.

11.5 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 Lender despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 Agent of the Chargor

Any Receiver appointed by the Lender under this deed shall be the agent of the Chargor and the 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 the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

12 POWERS OF RECEIVER

12.1 General

12.1.1 Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 12.2 (*Employ personnel and advisors* to clause 12.14 (*Incidental powers*)).

12.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

12.1.3 Any exercise by a Receiver of any of the powers given by this clause 12 may be on behalf of the Chargor, the directors of the Chargor or himself.

12.2 Employ personnel and advisors

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 he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

12.3 Remuneration

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

12.4 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

12.5 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

12.6 Valid receipts

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

12.7 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient.

12.8 Bring proceedings

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

12.9 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

12.10 Borrow

A Receiver may, for any of the purposes authorised by this clause 12, raise money by borrowing from the Lender (or any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).

12.11 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 the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.12 Delegation

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

12.13 Absolute beneficial owner

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

12.14 Incidental powers

A Receiver may do any other acts and things:

12.14.1 that the Receiver may consider desirable or necessary for realising any of the Secured Assets;

12.14.2 that the Receiver 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

12.14.3 that the Receiver lawfully may or can do as agent for the Chargor.

13 DELEGATION

13.1 Delegation

The Lender 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 by this deed (including the power of attorney granted under clause 17.1 (*Appointment of attorneys*)).

13.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

13.3 Liability

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

14 APPLICATION OF PROCEEDS

14.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

14.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

14.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and

14.1.3 in payment of the surplus (if any) to the Chargor or other person entitled to it.

14.2 Appropriation

Neither the Lender, 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.

14.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed:

14.3.1 may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;

14.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Chargor; and

14.3.3 may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

15 COSTS AND INDEMNITY

15.1 Costs

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

- 15.1.1 this deed or the Secured Assets;
- 15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed;
- 15.1.3 taking proceedings for, or recovering, any of the Secured Liabilities; or
- 15.1.4 any stamping or registration of this deed,

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 or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified in the Facility Agreement (whether or not any amount is outstanding thereunder).

15.2 Indemnity

The Chargor shall indemnify the Lender, 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:

- 15.2.1 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 Secured Assets;
- 15.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 15.2.3 any default or delay by the Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

16 FURTHER ASSURANCE

16.1 Further assurance

The Chargor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- 16.1.1 creating, perfecting or protecting the security intended to be created by this deed;
- 16.1.2 facilitating the realisation of any Secured Asset; or
- 16.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Charged Asset,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

17 POWER OF ATTORNEY

17.1 Appointment of attorneys

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

17.1.1 the Chargor is required to execute and do under this deed; or

17.1.2 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 Lender, any Receiver or any Delegate.

17.2 Ratification of acts of attorneys

The 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 17.1 (*Appointment of attorneys*).

18 RELEASE

Subject to clause 25.3 (*Discharge conditional*), on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to:

18.1.1 release the Secured Assets from the security constituted by this deed; and

18.1.2 reassign the Secured Assets to the Chargor.

19 ASSIGNMENT AND TRANSFER

19.1 Assignment by Lender

19.1.1 At any time, without the consent of the Chargor, the Lender may assign or transfer any or all of its rights and obligations under this deed in accordance with the terms of the Finance Documents.

19.1.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this deed that the Lender considers appropriate.

19.2 Assignment by Chargor

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

20 SET-OFF

20.1 Lender's right of set-off

The Lender may at any time set off any liability of the Chargor to the Lender against any liability of the Lender to the 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 Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 20 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

20.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 20.1 (*Lender's right of set-off*). If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

21 AMENDMENTS, WAIVERS AND CONSENTS

21.1 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).

21.2 Waivers and consents

21.2.1 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 other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

21.2.2 A failure or delay by a party to exercise 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 Lender shall be effective unless it is in writing.

21.3 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.

22 SEVERANCE

22.1 Severance

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

23 COUNTERPARTS

23.1 Counterparts

23.1.1 This deed may be executed and delivered in any number of counterparts, each of which is an original and which, together, have the same effect as if each party had signed the same document.

24 THIRD PARTY RIGHTS

24.1 Third party rights

24.1.1 Except as expressly provided in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

25 FURTHER PROVISIONS

25.1 Independent security

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

25.2 Continuing security

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 Lender discharges this deed in writing.

25.3 Discharge conditional

Any release, discharge or settlement between the Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

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

25.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Chargor under this deed and the Facility Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25.5 Consolidation

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

26 NOTICES

26.1 Delivery

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

- 26.1.1 in writing;
- 26.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service; and
- 26.1.3 sent to:

- (a) the Chargor at its registered address;

Attention: Michael Large

- (b) the Lender at One Friargate, Coventry, CV1 2GN;

Attention: Legal Services;

or to any other address as may be notified in writing by one party to the other from time to time.

26.2 Receipt by Chargor

Any notice or other communication that the Lender gives to the Chargor shall be deemed to have been received:

- 26.2.1 if delivered by hand, at the time it is left at the relevant address;
- 26.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the

second Business Day after posting.

A notice or other communication given as described in clause 3.3 or clause 26.2.1 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

26.3 Receipt by Lender

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

26.4 Service of proceedings

This clause 26 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.

26.5 No notice by e-mail

A notice or other communication given under or in connection with this deed is not valid if sent by e-mail.

27 GOVERNING LAW AND JURISDICTION

27.1 Governing law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

27.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the English courts shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

27.3 Other service

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 27.2 (*Jurisdiction*) being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

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
Shares

Issuer (name, place of incorporation, registration no., etc.)	Description/type of certificated stocks, all shares, all partnership shares/interests/capital (with respect to any limited liability partnership, any limited partnership or any general partnership), all loan capital, all securities, all bonds and all investments (whether or not marketable)	"Chargor"	Number of such Shares owned	Percentage that the Chargor's holding represents of all shares/securities of the same type issued by the same issuer (%)	Percentage ownership of the issuer conferred by such holding of Shares on the Borrower (%)	How evidenced (share certificate numbers, etc.)
Real World Properties (RL83) Ltd England and Wales (company number 11278733)	A ordinary shares	Real World Holdings Limited	100	50%	50%	Share certificate number:

Schedule 2

Form of notice to counterparties in respect of Subordinated Agreement

PART 1

From: [Chargor]

To: [Counterparty]

Date:

Dear Sir/Madam

We refer to the [describe relevant Subordinated Agreement] (the "**Agreement**")

We hereby notify you that pursuant to a share charge and assignment of subordinated debt dated [] (the "**Security Document**") we have assigned to the Homes and Communities Agency (the "**Lender**") absolutely (subject to a proviso for reassignment on redemption) all our right, title, interest and benefit in and to all our present and future rights, title and benefit in to and under the Agreement.

We further notify you that:

- (a) we may not agree to amend, modify or terminate the Agreement without the prior written consent of the Lender;
- (b) subject to paragraph (a) above, you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Lender. Thereafter we will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Lender.
- (c) you are authorised to disclose information in relation to the Agreement to the Lender on request;
- (d) until you receive written notice to the contrary from the Lender, you should pay all monies to which we are entitled under the Agreement to us; and
- (e) the provisions of this notice may only be revoked with the written consent of the Lender.

Please sign and return the enclosed copy of this notice to the Lender (with a copy to us) by way of confirmation that:

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (ii) you have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party.

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

Yours faithfully

For and on behalf of

Chargor

PART 2
Form of acknowledgment from counterparties in respect of Subordinated Agreement

From: [Counterparty]

To: Homes and Communities Agency (trading as Homes England)

Copy to: [Chargor]

Date:

We hereby acknowledge receipt of the notice dated [], a copy of which is attached to the acknowledgment (the "**Notice**") and confirm the matters therein including the matters set out in paragraphs (i) and (ii) of the Notice.


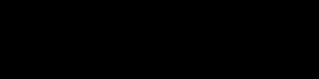


For and on behalf of

[Counterparty]

THE CHARGOR

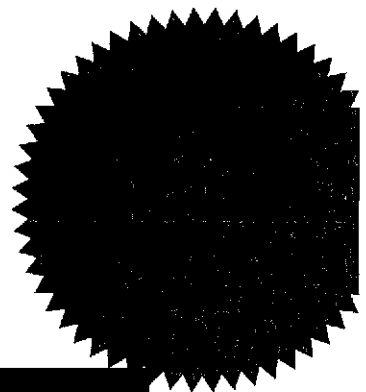
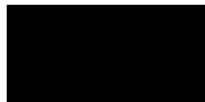
EXECUTION PAGE

THE Chargor

Executed as a deed by REAL WORLD HOLDINGS LIMITED acting MICHAEL DAVID LARGE , a director	 Director
In the presence of:  Witness signature:  Witness name: CLAIRE LUCAS Witness address:  Witness occupation: EXEC ASST	

THE LENDER

The **COMMON SEAL** of
HOMES AND COMMUNITIES AGENCY)
was hereunto affixed in the presence of:)



Authorised Signatory

4/ 11/2015
Print name