

DATED 31 May 2017

LUKE JOHNSON
as Senior Creditor

CHISBRIDGE LIMITED
as Borrower

The Parties listed in Schedule 1
as Subordinated Creditors

DEED OF SUBORDINATION

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DATED 31 May 2017

PARTIES

- (1) **LUKE JOHNSON** of 23 Randolph Crescent, London W9 1DP (the “**Senior Creditor**”)
- (2) **CHISBRIDGE LIMITED**, company incorporated under the laws of England and Wales with registered number 10451963 whose registered office is at Bockmer House, Bockmer End, Medmenham, Marlow, Buckinghamshire, SL7 2HL (the “**Borrower**”)
- (3) **THE PARTIES** listed in Schedule 1 (*Subordinated Creditors*) (the “**Original Subordinated Creditors**”)

BACKGROUND

- (A) The Senior Creditor and the Subordinated Creditors have made or are about to make loans, give credit, or provide other financial facilities to the Borrowers.
- (B) Each Original Subordinated Creditor has agreed with the other parties to subordinate those facilities or indebtedness as provided below.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

“**Additional Debtor**” means a person who becomes an Additional Debtor in accordance with Clause 13.6 (*Additional Debtor*).

“**Additional Subordinated Creditor**” means a person who becomes an Additional Subordinated Creditor in accordance with Clause 13.5 (*Additional Subordinated Creditor*).

“**Creditor**” means the Senior Creditor and the Subordinated Creditors.

“**Debt Documents**” means each of this Deed, the Finance Documents, the Loan Notes Documents, any agreement evidencing the terms of the Intra-Group Liabilities and any other document designated as such by the Senior Creditor and the Borrower.

“**Debtor**” means the Borrower and any Additional Debtor.

“**Debtor Resignation Request**” means a notice substantially in the form set out in Schedule 3 (*Debtor Resignation Request*).

“**Facility Agreement**” means a facility agreement dated on or around the date of this Deed and made between amongst others (1) the Senior Creditor; (2) the Borrower; and (3) Gary Ashworth and any agreement entered into under or supplemental to it or amending, restating, novating or replacing it.

“**Finance Documents**” means each and all of those documents so defined in the Facility Agreement.

“**Intra-Group Liabilities**” means the Liabilities owed by a member of the Group to another member of the Group.

“**Liabilities**” means all present and future liabilities and obligations at any time of any Debtor to any Creditor:

- (a) under the Debt Documents; and
- (b) in respect of any Subordinated Debt (to the extent not document in a Debt Document for any reason),

in each case, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (i) any refinancing, novation, deferral or extension;
- (ii) any claim for breach of representation, warranty or undertaking or on any event of default or under any indemnity given or under or in connection with any documents or agreement evidencing or constituting any other liability or obligation failing within this definition;
- (iii) any claims for damages or restitution; and
- (iv) any claim as a result of any recovery by any Debtor of a Payment on the grounds of preference or otherwise,

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

“**Loan Note Documents**” means the Loan Note Instrument or Loan Note documents as defined in the Facility Agreement.

“**Loan Note Liabilities**” means the Liabilities owed by the Borrower to a holder of Loan Notes under the terms of the Loan Note Instrument.

“**Party**” means a party to this Deed.

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

“**Permitted Payments**” means a Payment from a Debtor to a Subordinated Creditor:

- (a) permitted pursuant to the Facility Agreement; or
- (b) the payment of dividends to the Borrower or its Subsidiaries for onward payment of a dividend to the Borrower; and
- (c) with the prior written consent of the Senior Creditor.

“**Receiver**” means any one or more receiver, receiver and manager, administrator or administrative receiver (whether sole, joint and/or several and including any substitute).

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

“**Senior Debt**” means the Liabilities owed by the Debtors to the Senior Creditor.

“**Senior Creditor**” means the Original Senior Creditor and any person who becomes a Senior Creditor pursuant to Clause 13.2.

“**Senior Security**” means all and any present or future Security in favour of the Senior Creditor to secure the whole or any part of the Senior Debt.

“**Subordinated Creditors**” means the Original Subordinated Creditors and any Additional Subordinated Creditor.

“**Subordinated Debt**” means the Liabilities owed by the Debtors to the Subordinated Creditors.

“**Subordination Accession Deed**” means an accession deed substantially in the form set out in Schedule 2 (*Form of Subordination Accession Deed*).

“**Subordination Period**” means the period beginning on the date of this Deed and ending on the date upon which the whole of the Senior Debt has been unconditionally and irrevocably paid and discharged in full and all commitments of the Senior Creditor to the Borrower have been cancelled or terminated.

1.2 **Construction**

1.2.1 Unless the contrary intention is expressed, all defined terms in the Facility Agreement shall have the same meaning here.

1.2.2 The construction provisions set out at clause 1.2 of the Facility Agreement shall apply equally to this Deed, with all necessary changes.

1.2.3 Unless the contrary intention appears, references in this Deed to:

- (a) “**insolvency**” includes any of the following or any steps in relation to the following:
 - (i) any insolvency, bankruptcy, liquidation, reorganisation, administration, receivership or dissolution;
 - (ii) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of a person, a moratorium is declared in relation to any indebtedness of a person or an administrator, receiver, manager, administrative receiver, custodian, trustee, liquidator or other insolvency practitioner is appointed to that person;
 - (iii) any voluntary arrangements or assignment or arrangement is made for the benefit of creditors; or
 - (iv) any similar or analogous events, procedure or steps is taken in any jurisdiction whatsoever;
- (b) “**including**” and “**in particular**” shall not be construed restrictively but shall mean respectively “including without prejudice to the generality of the foregoing” and “in particular, but without prejudice to the generality of the foregoing”;
- (c) the singular shall include the plural and vice versa and any gender shall include the other genders; and

- (d) any obligation of any Party not to do something shall include an obligation not knowingly to permit, suffer or allow the same.

1.2.4 This Deed is a Finance Document.

1.3 **Joint and several liability**

When at any time a Party is two or more persons, a reference to the relevant Party includes the plural number and includes each of the persons which comprise that Party and obligations in this Deed expressed or implied to be made by that Party shall be deemed to be made by such persons constituting that Party jointly and severally and in each case the default by one of them shall be deemed to be the default of all.

2 **SUBORDINATION**

2.1 Subject to the terms of this Deed, the Subordinated Debt is postponed and subordinated to the Senior Debt at all time and in all respects.

2.2 This Deed does not purport to rank any of the Subordinated Debt as between itself.

3 **UNDERTAKINGS**

3.1 **Undertakings of the Debtors**

Each Debtor covenants with the Senior Creditor that at all times during the Subordination Period that it will not:

- (a) pay, prepay or repay, redeem, purchase or make any distribution in respect 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) assign, transfer, charge or otherwise dispose of (or purport to assign, transfer, charge or otherwise dispose of) its rights or obligations in respect of the Subordinated Debt;
- (d) create or permit to subsist any Security over any of its assets for any of the Subordinated Debt and the Subordinated Debt should remain unsecured at all times;
- (e) amend, vary, waive or release any term of the Subordinated Debt;
- (f) enter into any arrangement under which Subordinated Creditor is not to enforce that Debtor's obligations in relation to the Subordinated Debt;
- (g) enter into an arrangement for the benefit of a Subordinated Creditor where the value provided by that Debtor exceeds the value received by that Debtor;
- (h) provide credit to a Subordinated Creditor, or provide a guarantee, or Security in respect of any liability of that Subordinated Creditor;
- (i) make any distribution of its assets, whether in cash, shares or otherwise, to a Subordinated Creditor; nor

- (j) take or omit to take any action whereby the ranking and/or subordination of the Subordinated Debt under this Deed might be terminated, impaired or adversely affected (as to which a certificate of the Senior Creditor acting in good faith shall be conclusive).

3.2 **Undertakings of the Subordinated Creditors**

Each Subordinated Creditor covenants with each Debtor and separately with the Senior Creditor that at all times during the Subordination Period:

3.2.1 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) assign, transfer, charge or otherwise dispose of (or purport to assign, transfer, charge or otherwise dispose of) its rights or obligations in respect of the Subordinated Debt;
- (d) accept or permit to subsist any Security over any of the assets of any Debtor for any of the Subordinated Debt and the Subordinated Debt should remain unsecured at all times;
- (e) amend, vary, waive or release any term of any of the Subordinated Debt;
- (f) enter into any arrangement under which any Subordinated Creditor is not to enforce a Debtor's obligations in relation to the Subordinated Debt;
- (g) enter into an arrangement for its benefit where the value provided by a Debtor exceeds the value received by that Debtor;
- (h) receive credit from a Debtor, or permit a Debtor to grant any guarantee or Security in respect of any of the Subordinated Creditors' liabilities;
- (i) receive any kind of distribution of the Debtor's assets, whether in cash, shares or otherwise;
- (j) take or omit to take any action whereby the subordination of the Subordinated Debt under this Deed might be terminated, impaired or adversely affected (as to which a certificate of the Senior Creditor acting in good faith shall be conclusive); nor
- (k) 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 a Debtor; and

3.2.2 it will at all times remain entitled to the Subordinated Debt legally and beneficially, free from any Security, 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.

3.3 **Exceptions**

Notwithstanding the above:

- (a) a Debtor may make and a Subordinated Creditor may receive any Permitted Payment; and
- (b) the Debtors and the Subordinated Creditors may do anything approved by the Senior Creditor in writing.

4 **TURNOVER**

4.1 **Turnover trust**

If:

- (a) a Subordinated Creditor receives any benefit, payment, distribution or security in cash or in kind (including for the purchase, redemption or acquisition) in respect of, or on account of, the Subordinated Debt other than a Permitted Payment;
- (b) a Subordinated Creditor receives the proceeds of any legal proceedings against a Debtor in respect of any Subordinated Debt;
- (c) a Subordinated Creditor receives the proceeds of enforcement of any Security or guarantee in relation to the Subordinated Debt; or
- (d) any of the Subordinated Debt is discharged by set-off, netting, counterclaim, or by exercise of any right of combination of accounts, or in any other manner,

which is otherwise restricted or prohibited under the terms of this Deed, that Subordinated Creditor will promptly notify the Senior Creditor, hold the relevant amount on trust for the Senior Creditor and will immediately pay to the Senior Creditor the amount so received by that Subordinated Creditor (or discharged as contemplated by Clause 4.1(d)) for application against, or retention on account of, the Senior Debt.

4.2 **Exercise of Subordinated Creditors' rights**

If a Subordinated Creditor fails to observe and perform its obligations in this Clause 4 (*Turnover*), the Senior Creditor is irrevocably authorised to effect the same on behalf of that Subordinated Creditor.

4.3 **Failure of trust**

If any of the trusts referred to in this Deed fails or cannot be given effect to, the relevant Subordinated Creditor will, upon demand and without deduction, pay to the Senior Creditor (for application against or retention on account of the Senior Debt) an amount equal to the relevant amount and deliver securities or property distributed to that Subordinated Creditor to the Senior Creditor.

4.4 **Additional Subordinated Debt**

Any such distribution paid by a Subordinated Creditor to the Senior Creditor under this Deed shall (so far as permitted by law) be treated as additional monies due from the Debtor to that Subordinated Creditor.

4.5 **Non-creation of charge**

Nothing in this Clause 4 (*Turnover*) or any other provision of this Deed is intended to or shall create a charge or other security.

4.6 **Perpetuity period**

The perpetuity period applicable to the trusts under this Deed shall be 125 years from the date of this Deed.

5 **SUBORDINATION ON INSOLVENCY**

5.1 **Subordination**

If, at any time during the Subordination Period, any event of insolvency occurs in relation to a Debtor:

- (a) the Subordinated Debt will be subordinated in right of payment to the Senior Debt; and
- (b) no Subordinated Creditor shall claim, rank, prove or vote as a creditor of that Debtor unless otherwise directed by the Senior Creditor.

5.2 **Powers of Senior Creditor**

The Senior Creditor may, and is irrevocably authorised on behalf of each Subordinated Creditor to:

- (a) demand, sue, claim, enforce and prove for any Subordinated Debt;
- (b) file claims and proofs, give receipts and take all such proceedings and do all such things as the Senior Creditor sees fit to recover the Subordinated Debt; and
- (c) receive all distributions on the Subordinated Debt for application against, or retention on account of, the Senior Debt,

provided that if the Senior Creditor is not entitled to or does not wish to do or take any of the things mentioned in this Clause 5.2 (*Powers of*), that Subordinated Creditor must do promptly when and as directed by the Senior Creditor from time to time.

5.3 **Voting**

At any time during the Subordination Period, the Senior Creditor may exercise all powers of convening creditors meetings, voting and representation at a creditors' meeting in respect of the Subordinated Debt and the Subordinated Creditors will provide all forms of proxy and of representation requested by the Senior Creditor for that purpose. If the Senior Creditor is not entitled or does not wish to exercise such power conferred in this Clause 5.3 (*Voting*), the Subordinated Creditors will exercise such power as the Senior Creditor may from time to time direct.

5.4 **Distributions**

At any time during the Subordination Period, the Subordinated Creditors will, on demand by the Senior Creditor, pay an amount equal to the amount of all payments or distributions of or in respect of any Subordinated Debt in cash or in kind received after any event of insolvency by or on behalf of it from any Debtor to the Senior Creditor. Pending such

application, the Senior Creditor shall hold such payment on trust for the beneficiaries entitled to it.

5.5 **Direction**

The person distributing the assets and proceeds of a Debtor is, by this Deed, directed to pay such distributions in relation to the Subordinated Debt directly to the Senior Creditor until the Senior Debt has been irrevocably paid and discharged in full.

5.6 **Further assurance**

Each Subordinated Creditor shall (at the cost of the Borrower) give all such notices and do all such things as the Senior Creditor may direct to give effect to this Clause 5 (*Subordination on insolvency*).

6 **APPLICATION OF MONIES REALISED**

6.1 **Application of receipts**

All monies received by the Senior Creditor in connection with this Deed shall be treated as having been received under the Finance Documents and shall be applied in accordance with the provisions of the Finance Documents.

6.2 **No appropriation by a Subordinated Creditor**

Neither the Debtors nor the Subordinated Creditors may direct the application, by the Senior Creditor, of any sums received in connection with this Deed.

7 **PRESERVATION OF RIGHTS**

7.1 **Continuing deed**

The rights of the Senior Creditor contained in this Deed shall be in addition to and independent of all other rights which it may at any time hold and benefit the ultimate balance of the Senior Debt regardless of any intermediate payment or discharge of such liabilities in whole or in part.

7.2 **Waiver of defences**

The subordination constituted by this Deed and the covenants and other provisions contained in this Deed shall not be affected in any way by all or any of the following:

- (a) any fluctuation in the amounts of the Senior Debt or the Subordinated Debt;
- (b) the existence of any credit balance on any account of any Debtor with any Senior Creditor at any time;
- (c) any legal limitation, disability, incapacity or other circumstance relating to any person;
- (d) any step taken with regard to the insolvency or reorganisation of any person or any change in their status, function, control or ownership;
- (e) the Finance Documents being illegal, invalid, unenforceable or ineffective;

- (f) time or other indulgence, release, compact or compromise being granted to any person;
- (g) any amendment, variation, novation, replacement, waiver or release of the Finance Documents however fundamental;
- (h) any failure to take any security in respect of the Senior Debt;
- (i) any failure to realise the value of, or any release, discharge, exchange or substitution of, any of the Senior Security; or
- (j) any other act, event or omission which, but for this Clause 7.2 (*Waiver of defences*), might discharge, impair or otherwise affect the subordination created by this Deed or any of the obligations of any Subordinated Creditor under this Deed or any of the rights of the Senior Creditor.

7.3 **No right of notification**

Each Subordinated Creditor acknowledges that it has no right to receive notice from a Senior Creditor of any of the matters referred to in this Clause 7 (*Preservation of Rights*) and that its lack of consent to them shall not impair the subordination and other provisions created by this Deed.

8 **INFORMATION AND CO-OPERATION**

8.1 **Co-operation**

The Subordinated Creditors will take all necessary steps and will co-operate with the Senior Creditor so as to ensure that the intentions as to priorities set out in this Deed are reflected and recorded in any registry or register or with any filing or registration authority in any jurisdiction and if required by a Senior Creditor, that third parties are informed of such priorities.

8.2 **Defaults**

Each Debtor and each Subordinated Creditor shall, during the Subordination Period, give notice in writing of the occurrence of:

- (a) a material breach, default or event of default (howsoever described or defined) in respect of the agreements evidencing the terms of the Subordinated Debt;
- (b) any waiver or remedy of any material breach, default or event of default (each however described or defined) in respect of the Subordinated Debt; and
- (c) any breach of this Deed,

to the Senior Creditor promptly after its occurrence, or in the case of (a) or (c) above, after it becomes aware of the same, each such notice to specify the event concerned.

8.3 **Amount of Subordinated Debt**

Each Subordinated Creditor shall on request by the Senior Creditor notify the Senior Creditor in writing of the amount of any Subordinated Debt and such other details as the Senior Creditor shall reasonably request.

9 **SUBROGATION**

During the Subordination Period, the Debtors and the Subordinated Creditors will not under any circumstances be subrogated to or entitled to exercise any of the rights of the Senior Creditor or exercise any Security arising under the Senior Security.

10 **POWER OF ATTORNEY**

10.1 Each Subordinated Creditor by way of security irrevocably appoints the Senior Creditor its attorney (with full power to appoint delegates and substitutes) in its name and on its behalf to execute any documents and do or perfect anything which the Senior Creditor shall consider appropriate for the purpose of:

- (a) doing anything which that Subordinated Creditor has authorised a Senior Creditor to do on its behalf under this Deed; or
- (b) enforcing that Subordinated Creditor's obligations in connection with this Deed.

10.2 Each Subordinated Creditor undertakes to the Senior Creditor that, as soon as reasonably practicable upon request, it will ratify and confirm all actions taken by the Senior Creditor (or its respective delegates or substitutes) in the proper exercise of the power of attorney granted under Clause 10.1.

11 **REPRESENTATIONS AND WARRANTIES OF A COMPANY**

To the extent that a Subordinated Creditor is a member of the Group, each such Subordinated Creditor represents and warrants on the date of this Deed to, and for the benefit of, the Senior Creditor that it is entitled to the Subordinated Debt legally and beneficially free from any Security, option, subordination or other rights in favour of any person and the Subordinated Debt is not subject to any set-off, counterclaim or other defence.

12 **REPRESENTATIONS AND WARRANTIES OF AN INDIVIDUAL**

To the extent that a Subordinated Creditor is an individual, each such Subordinated Creditor gives the representations and warranties set out in this Clause 12 (*Representations and warranties*) to the Senior Creditor on the date of this Deed and by reference to the facts and circumstances then existing, on the date of each Utilisation Request, each Utilisation Date and the first day of each Interest Period.

12.1 **Residence**

They are resident at the address stated next to their respective names in Schedule 1 (*Subordinated Creditors*).

12.2 **Binding obligations**

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

12.3 **Non-conflict**

The entry into and performance by each of them of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (a) any law or regulation applicable to them; or

- (b) any agreement or instrument binding upon them or any of their assets or constitute a default or termination event (however described) under any such agreement or instrument.

12.4 **Validity and admissibility in evidence**

Each authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required or desirable:

- (a) to enable them lawfully to enter into, exercise their rights and comply with their obligations under this Deed; and

- (b) to make this Deed admissible in evidence in their jurisdiction of residence,

has been obtained or effected and is in full force and effect.

12.5 **Governing law and enforcement**

12.5.1 The choice of English law will be recognised and enforced in their jurisdiction of residence against them.

12.5.2 Any judgment obtained in England in relation to this Deed will be recognised and enforced in their jurisdiction of residence against them.

12.6 **Deduction of Tax**

They are not required to make any deduction for or on account of Tax from any payment they may make under this Deed.

12.7 **No filing or stamp duty**

Under English law, it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in their jurisdiction of residence or that any stamp, registration or similar tax be paid on or in relation to this Deed or the transactions contemplated by this Deed.

12.8 **No misleading information**

12.8.1 Any information which has been provided in writing by or on behalf of them to the Senior Creditor with respect to this Deed (and the transactions contemplated by this Deed) was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

12.8.2 Nothing has occurred since the information referred to in Clause 12.8.1 was provided and no information has been given or withheld that results in any of the information referred to in Clause 12.8.1 being untrue or misleading in any material respect.

12.9 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might prevent any of them from accepting and performing any of their obligations under this Deed, have (to the best of their knowledge and belief) been started or threatened against any of them.

12.10 **Understanding of this Deed**

They have read and understood the provisions of this Deed and the transactions to which it relates and have taken independent legal advice as to the effect of this Deed and the transactions to which it relates and, in particular, they understand that failure to comply with this Deed may result in detrimental effects on their assets or potentially result in insolvency events occurring in relation to them or their assets.

12.11 **No waiver**

No oral or written statement has been made to them or by or on their behalf which could be construed as a waiver of any provisions of this Deed or a statement of intention not to enforce this Deed in accordance with its terms.

12.12 **Subordinated debt**

They are each entitled to the Subordinated Debt legally and beneficially, free from any Security, option, subordination or other rights in favour of any person, and the Subordinated Debt is not subject to any set-off, counterclaim or other defence.

12.13 **Solvency**

No step has been taken for the insolvency of any Subordinated Creditor.

13 **CHANGES TO THE PARTIES**

13.1 **Assignment by the Debtors**

No Debtor may assign, transfer or otherwise part with its rights or obligations under this Deed.

13.2 **Assignment by the Senior Creditor**

The Senior Creditor may at any time transfer, assign or novate all or any part of its respective rights, benefits or obligations in relation to the Senior Debt and/or the Senior Security and/or under this Deed in accordance with the provisions of the Facility Agreement or to any other lender pursuant to any facility agreement entered into under or supplemental to the Facility Agreement or amending, restating, novating or replacing the Facility Agreement.

13.3 **Assignment by the Subordinated Creditors**

No Subordinated Creditor may assign, transfer or otherwise part with its rights or obligations under this Deed without the prior written consent of the Senior Creditor which, if given, shall be subject to the assignee/transferee entering into a deed of subordination in the same form as this Deed, with the necessary changes.

13.4 **Assignment by Senior Creditor**

The Senior Creditor may at any time transfer, assign or novate all or any part of its respective rights, benefits or obligations in relation to the Senior Debt and/or the Senior Security and/or under this Deed in accordance with the provisions of the Facility Agreement.

13.5 **Additional Subordinated Creditor**

13.5.1 If any member of the Group or any person (as the case may be):

- (a) provides, advances and/or makes available any Liabilities; or
- (b) receives and/or is granted any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities,

the Debtors will procure that the person providing those Liabilities or receiving that assurance accedes to this Deed as an Additional Subordinated Creditor in accordance with Clause 13.5.2, no later than the provision of those Liabilities or receipt of that assurance.

13.5.2 With effect from the date of acceptance by the Senior Creditor of a Subordination Accession Deed duly executed and delivered to the Senior Creditor by the Additional Subordinated Creditor or, if later, the date specified in the Subordination Accession Deed, the Additional Subordinated Creditor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Subordinated Creditor.

13.6 **Additional Debtor**

13.6.1 If any member of the Group:

- (a) incurs any Liabilities; or
- (b) gives any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities,

the Debtors will procure that the person incurring those Liabilities or giving that assurance accedes to this Deed as an Additional Debtor in accordance with Clause 13.6.2, no later than the incurrance of those Liabilities or the giving of that assurance.

13.6.2 With effect from the date of acceptance by the Senior Creditor of a Subordination Accession Deed duly executed and delivered to the Senior Creditor by the Additional Debtor or, if later, the date specified in the Subordination Accession Deed, the Additional Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor.

13.7 **Resignation of a Debtor**

13.7.1 The Borrower may request that a Debtor (other than the Borrower) ceases to be a Debtor by delivering to the Senior Creditor a Debtor Resignation Request.

13.7.2 The Senior Creditor shall accept a Debtor Resignation Request and notify the Borrower of its acceptance if:

- (a) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Debtor Resignation Request;
- (b) to the extent that the Subordinated Period has not ended, the Senior Creditor acknowledges that the Debtor is not, or has ceased to be, a Guarantor; and
- (c) the Borrower confirms that the Debtor is under no actual or contingent obligations in respect of the Liabilities.

13.7.3 Upon notification by the Senior Creditor to the Borrower of its acceptance of the resignation of a Debtor, that member of the Group shall cease to be a Debtor and shall have no further rights or obligations under this Deed as a Debtor.

14 **ACKNOWLEDGEMENTS**

14.1 **No limitation of liability**

Each Debtor acknowledges the terms of this Deed and that nothing in this Deed shall affect its liability to the Senior Creditor in relation to the Senior Debt.

14.2 **Distribution of information**

Each Debtor acknowledges and confirms that the Senior Creditor and each Subordinated Creditor has an unrestricted right to give each other information concerning any accounts and facilities of the Debtors.

14.3 **Copies of Subordinated Debt**

Each Debtor and each Subordinated Creditor agrees to supply to the Senior Creditor on demand true copies of all documents relating to the Subordinated Debt.

15 **NOTICES**

15.1 **Communications in writing**

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

15.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or the registered office or place of business last known to the Senior Creditor or any substitute address, fax number or department or officer as the Party may notify the Senior Creditor (or the Senior Creditor may notify the Debtors and the Subordinated Creditors if the change is made by the Senior Creditor) by not less than five Business Days' notice.

15.3 **Delivery**

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

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 15.2 (*Addresses*), if addressed to that department or officer.

15.3.2 Any notice or communication to be made or delivered to the Senior Creditor shall be effective when actually received by the Senior Creditor and then only if it is expressly marked for the attention of the department or officer identified with the Senior Creditor's

signature below (or any substitute department or officer as the Senior Creditor shall specify for this purpose).

15.3.3 Any communication made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Debtors.

15.3.4 Any communication or document which becomes effective, in accordance with this Clause 15.3 (*Delivery*), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

15.4 **Notification of address and fax number**

Promptly upon changing its address or fax number, the Senior Creditor shall notify the other Parties.

15.5 **Electronic communication**

15.5.1 Any communication to be made between any two Parties under or in connection with this Deed may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:

(a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

15.5.2 Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Senior Creditor only if it is addressed in such a manner as the Senior Creditor shall specify for this purpose.

15.5.3 Any electronic communication which becomes effective, in accordance with Clause 15.5.1 and Clause 15.5.2 after 5.00pm in the place of receipt shall be deemed only to become effective on the following day.

15.6 **English language**

15.6.1 Any notice given under or in connection with this Deed must be in English.

15.6.2 All other documents provided under or in connection with this Deed must be:

(a) in English; or

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

16 **DISCHARGE**

16.1 At the end of the Subordination Period, the Senior Creditor will at the request and cost of the Subordinated Creditors discharge this Deed.

16.2 No discharge will be of any effect if any security or payment given or made in respect of the Senior Debt is rescinded, avoided, reduced or invalidated whether in respect of any insolvency or otherwise.

17 **GENERAL PROVISIONS**

17.1 **Trust**

The undertakings and representations made by the Debtors and the Subordinated Creditors under this Deed are made in favour of the Senior Creditor

17.2 **Benefit**

The provisions of this Deed are for the benefit of the Senior Creditor alone and no Debtor shall be entitled to claim the benefit of (or seek to enforce) any provision of it.

17.3 **Continuing priority**

The priorities created under this Deed are continuing and extend to the balance from time to time, and the continued performance, of the Senior Debt irrespective of any intermediate payment or performance of the Senior Debt.

17.4 **Amendment**

No amendment to this Deed shall be valid and constitute part of this Deed unless such amendment shall have been made in writing and signed by all Parties.

17.5 **Overriding agreement**

This Deed overrides any existing agreement between the Debtors and the Subordinated Creditors so far as inconsistent with the terms of it.

17.6 **Calculation and evidence**

Any certification or determination by a Senior Creditor of a rate or amount under this Deed will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

17.7 **Expenses**

The Borrower must pay the Senior Creditor within three Business Days of demand the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the enforcement of, or the preservation of any rights under this Deed and any proceedings instituted by or against a Senior Creditor as a consequence of its entry into this Deed.

17.8 **Rights of third parties**

17.8.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

17.8.2 The Parties may rescind or vary this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

17.9 **Partial invalidity**

The illegality, invalidity or unenforceability for whatever reason of any provision of this Deed in any jurisdiction, shall not affect the legality, validity or enforceability of that provision in any other jurisdiction or the legality, validity or enforceability of the remaining provisions in any jurisdiction.

17.10 **Memorandum**

Each Subordinated Creditor shall (if required by the Senior Creditor) endorse a memorandum of this Deed on the documentation relating to the Subordinated Debt.

18 **COUNTERPARTS**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

19 **GOVERNING LAW**

19.1 **Governing Law**

This Deed and any non-contractual obligations arising out of or in relation to this Deed shall be governed by English law.

19.2 **Jurisdiction of English courts**

19.2.1 The courts of England have exclusive jurisdiction to settle any dispute, including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with this Deed (a “**Dispute**”).

19.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

19.2.3 This Clause 19.2 (*Jurisdiction of English courts*) is for the benefit of the Senior Creditor only. As a result, no Senior Creditor shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Senior Creditor may take concurrent proceedings in any number of jurisdictions.

This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.

Schedule 1
Subordinated Creditors

Subordinated Creditor	Jurisdiction	Address
Gary Ashworth	United Kingdom	Bockmer House, Bockmer End, Medmenham, Marlow, Buckinghamshire, SL7 2HL
Chris Eldridge	United Kingdom	Legglands, Frieth Road, Marlow, Buckinghamshire SL7 8UA
David Bygrave	United Kingdom	Fox Hill End, Brick Hill, Chobham, Surrey, GU24

Schedule 2
Form of Subordination Accession Deed

To: [Senior Creditor]

From: [Additional Debtor][Additional Subordinated Creditor]

THIS DEED is made on [date] by [Additional Debtor][Additional Creditor] (the “**Additional Debtor][Creditor]**”) in relation to the subordination deed (the “**Subordination Deed**”) dated [date] between, amongst others, the Debtors, the Subordinated Creditors and [Senior Creditor] (each as defined therein). Terms defined in the Subordination Deed shall, unless otherwise defined in this Deed, bear the meanings when used in this Deed.

In consideration of the Additional [Debtor][Creditor] being accepted as an Additional [Debtor][Creditor] for the purposes of the Subordination Deed, the Additional [Debtor][Creditor] confirms that, as from [date], it intends to be party to the Subordination Deed as an Additional [Debtor][Creditor] and undertakes to perform all the obligations expressed in the Subordination Deed to be assumed by a [Debtor][Subordinated Creditor] and agrees that it shall be bound by all the provisions of the Subordination Deed, as if it had been an original party to the Subordination Deed.

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

This Deed has been entered into on the date stated above and is executed as a deed by the Additional [Debtor][Creditor] and is delivered on the date stated above.

Additional [Debtor][Subordinated Creditor]

Executed as a deed by)
[**ADDITIONAL**)
[**DEBTOR][ADDITIONAL**)
[**SUBORDINATED CREDITOR]**

in the presence of a witness:

Witness name:

Witness signature:

Address:

Occupation

Notice details

Address:

Fax:

Email:

Attn:

Accepted by the Senior Creditor

For and on behalf of [**Senior Creditor**]

Date:

Schedule 3
Form of Debtor Resignation Request

To: [Senior Creditor]

From: [resigning Debtor] and Chisbridge Limited

Dated:

Dear Sirs

Chisbridge - [●] Subordination Deed dated [●]
(the “Subordination Deed”)

1. We refer to the Subordination Deed. This is a Debtor Resignation Request. Terms defined in the Subordination Deed have the same meaning in this Debtor Resignation Request unless given a different meaning in this Debtor Resignation Request.
2. Pursuant to Clause [13.6] (*Resignation of a Debtor*) of the Subordination Deed we request that [resigning Debtor] be released from its obligations as a Debtor under the Subordination Deed.
3. We confirm that:
 1. no Default is continuing or would result from the acceptance of this request; and
 2. [resigning Debtor] is under no actual or contingent obligations in respect of the Liabilities.
4. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[Chisbridge Limited]

[resigning Debtor]

By:

By:

EXECUTION PAGE

Borrower

Executed as a deed by)
CHISBRIDGE LIMITED)
acting by)
in the presence of a witness:

Director

Witness name:

Witness signature:

Address:

Occupation

Notice details

Address:

Fax:

Email:

Attn:

Subordinated Creditors

BY SIGNING THIS DEED, EACH SUBORDINATED CREDITOR CONFIRMS THEIR FULL UNDERSTANDING AND COMPREHENSION OF THE TERMS OF THIS DEED AND DECLARES THAT THEY HAVE RECEIVED INDEPENDENT LEGAL ADVICE AS TO SIGNATURE OF THIS DEED AND AS TO THE CONSEQUENCES OF THEIR SIGNATURE OF THIS DEED

Executed as a deed by)
GARY ASHWORTH)
in the presence of a witness:)

Witness name:

Witness signature:

Address:

Occupation

Notice details

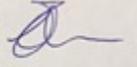
Address:

Fax:

Email:

Attn:

Executed as a deed by
CHRIS ELDRIDGE
in the presence of a witness:

) 
)
)

Witness name: TRÉS ELDRIDGE

Witness signature: 

Address: LEZALANDS, FORTY ROAD, MARLOW. Bucks.

Occupation HOMEWIFE

Notice details

Address: LEZALANDS, FORTY ROAD, MARLOW Bucks

Fax: —

Email: CHRIS.ELDRIDGE@EMG.COM

Attn: C ELDRIDGE

Executed as a deed by)
DAVID BYGRAVE)
in the presence of a witness:)

Witness name:

Witness signature:

Address:

Occupation

Notice details

Address:

Fax:

Email:

Attn:

I confirm that, prior to the execution of this Deed, I explained the contents and effect of this Deed and the transactions to which it relates to each of the Subordinated Creditors who informed me that they each understood the contents and effect of this documents and the transactions to which it relates.

Signed (a solicitor):

Firm:

Dated:

Senior Creditor

Executed as a deed by)
LUKE JOHNSON)
in the presence of a witness:)

Witness name:

Witness signature:

Address:

Occupation

Notice details

Address:

Fax:

Email:

Attn: