

Deed of Undertaking

- (1) Cosalt plc
- (2) David Peter John Ross

Dated 3 May 2011

Osborne Clarke

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London
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This Deed is made on

3 May

2011

Between:

- (1) Cosalt plc whose details are set out in Part 1 of Schedule 1 (the "Company").
- (2) David Peter John Ross of 61A Cadogan Square, London, SW1 ("DR").

WHEREAS:

- (A) This deed is entered into pursuant to the Finance Documents (as defined in the Deed of Priorities).
- (B) DR has agreed to enter into this Deed in order to assist the Company in funding its medium-term working capital requirements.

THIS DEED witnesses as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Deed

- | | |
|---------------------------------|---|
| "Acceptable Third Party" | means a person in relation to whom all the provisions of clause 19.5 of the Deed of Priorities are satisfied as a transferee or assignee and who has actually acceded to the Deed of Priorities in accordance with its terms; |
| "Deed of Priorities" | means the Deed of Priority between the parties to this deed and various others, as originally dated 26 March 2009 and as amended and restated on or about the date hereof; |
| "Gross Sale Price" | means the entire aggregate consideration of any form (including but without limitation any deferred consideration) receivable by the Company or any number of the Group pursuant to any contract the disposal of any interest in a Relevant Property, before deduction of any costs, expenses, taxes or other items; |
| "Group" | means the Company and each of its direct and indirect subsidiaries and subsidiary undertakings; |
| "Issued Notes" | means Series B Loan Notes which shall have been subscribed in cash and issued to DR or otherwise pursuant to the provisions of this Deed; |
| "Net Proceeds" | Disposal means in relation to any Relevant Property the Gross Sale Price of that property after deduction of: <ol style="list-style-type: none">(a) the reasonable and proper costs and expenses (including without limitation professional and agents' fees) of the disposal by the Company or relevant member of the Group of the relevant interest in that property; and(b) any excess of accruals in respect of the Relevant Property to be apportioned as at completion of the relevant disposal over pre-payments so apportioned, to the extent provided for in the contract for such disposal to be deducted or apportioned at completion; |

- "Relevant Properties"** means the properties listed in Schedule 2;
- "Series B Loan Notes"** means the £1,500,000 Series B unsecured floating rate loan notes 2012 created by instrument by the Company and defined in the Deed of Priorities as the "Shortfall Fundraiser Loan Notes".

1.2 Interpretation

- (a) Any reference in this Deed to:
- (i) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture consortium or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (ii) **insolvency** of any person includes bankruptcy, winding-up, receivership, administration, voluntary arrangement and any other analogous procedure affecting a person or all or any of his assets in any part of the world (whether or not involving judicial proceedings); and
 - (iii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (b) Save where expressly indicated herein to the contrary, terms defined in the Deed of Priorities shall have the same meaning when used in this Deed unless separately defined herein.
- (c) Section, clause and schedule headings are for ease of reference only.
- (d) Words importing the singular are to include the plural and vice versa.
- (e) The parties intend that this document shall take effect as a Deed notwithstanding that any Party shall have executed it under hand only.
- (f) Except as provided in this Deed, the terms of this Deed may be enforced only by a Party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded. Notwithstanding any provision of this Deed the parties do not require the consent of any third party to rescind or vary it at any time.

2. Undertaking by DR

2.1 DR hereby undertakes to the Company that if:

- (a) Prior to 1 May 2011 the Group shall not have disposed of Relevant Properties and received Net Disposal Proceeds of at least £750,000 in aggregate in respect thereof; or
- (b) Prior to 1 November 2011 the Group shall not have disposed of Relevant Properties so as to have received Net Disposal Proceeds of at least £1,500,000 in aggregate (when including all Net Disposal Proceeds received from and including the date of this Deed and whether or not taken into account for the purposes of sub-clause (a) above) in respect thereof;

he shall following written demand from the Company in accordance with clause 2.3 subscribe or procure an Acceptable Third Party to subscribe in cash at par such amount of Series B Loan Notes as shall where sub-clause (a) above shall apply, equal the shortfall of Net Disposal Proceeds received against £750,000 or, where sub-clause (b) above shall apply, equal the shortfall of Net Disposal Proceeds received against £1,500,000.

- 2.2 The provisions of clause 2.1 and DR's obligations under it shall at all times be subject to compliance by the Company with its obligations under and pursuant to clause 3 below.
- 2.3 Any written demand which the Company shall be entitled to make:
- (a) Pursuant to sub-clause 2.1(a) may be made and served upon DR at any time between (and including) 1 May 2011 and 1 November 2011; or
 - (b) Pursuant to sub-clause 2.1(b) may be made and served upon DR at any time between (and including) 1 November 2011 and 30 June 2012;

but not, in either case, otherwise. Each written demand shall include a statement, certified by a director of the Company to be true and accurate, identifying the Gross Sale Price, the costs and expenses of sale and the Net Disposal Proceeds received by the Group prior to the date of such demand.

- 2.4 Following a written demand in accordance with clause 2.3, DR shall procure that the subscription for the relevant amount of Series B Loan Notes shall be completed no later than 15 Business Days after service of such demand.
- 2.5 DR's undertaking and obligation to subscribe or procure subscriptions by an Acceptable Third Party for Series B Loan Notes shall lapse and expire automatically on the earliest to occur of:
- (a) 30 June 2012 save to the extent that any written demand shall have been validly served on him in accordance with clauses 2.3 and 2.4 before that date;
 - (b) The aggregate of Net Disposal Proceeds received by the Group being equal to or more than £1,500,000; and
 - (c) Any refinancing of any nature of the bank facilities (being a refinancing, redemption or cancellation in full of all such facilities) being made available to the Group pursuant to the Facilities Agreement; and
 - (d) Any Enforcement Action being taken or the Company or any number of the Group owning any of the Relevant Properties becoming the subject of any insolvency order or having any receiver, administrator, liquidator appointed over it and its assets.

2.6 Nothing in this clause 2 shall impose any obligation on DR to subscribe any amount in excess of £1,500,000 in aggregate.

3. Obligations of the Company

- 3.1 The Company shall at all times procure that all reasonable efforts are made to procure the disposal of the Relevant Properties in a manner and on terms that maximise (so far as is reasonable) the Net Disposal Proceeds prior to 1 November 2011.
- 3.2 Without prejudice to the generality of clause 3.1 the Company shall:
- (a) Ensure any agents and advisers retained by the Group for the purposes of disposing of the Relevant Properties are engaged on terms consistent and in accordance with clause 3.1; and
 - (b) Provide promptly to DR all such information as he may reasonably request regarding the Relevant Properties and arrangements for and/or terms of their disposal.

4. Redemption of Series B Loan Notes

4.1 The Company undertakes to DR that if a written demand in accordance with clause 2.3 shall have been made upon DR and DR shall have subscribed or procured the subscription by an Acceptable Third Party for the requisite amount of Series B Loan Notes:

- (a) Pursuant to clause 2.1(a) and thereafter (but before 1 October 2011) the Group shall receive Net Disposal Proceeds which take the cumulative aggregate thereof to £750,000 or more; or
- (b) Pursuant to clause 2.1 (b) and thereafter the Group shall receive Net Disposal Proceeds which take the cumulative aggregate thereof to £1,500,000

then in either case it shall redeem or procure the redemption of all Issued Notes in case at par following written demand from DR.

4.2 The Company shall complete any such redemption required by virtue of clause 4.1 within 15 Business Days after service of DR's written demand, against delivery by DR of the relevant certificates for the Issued Notes, failing which the Company shall in addition pay in cash interest at the Default Rate from the due date for completion of such redemption with payment in full or the aggregate nominal amount of the Issued Notes due to be or to have been redeemed.

4.3 Without prejudice to the provisions of 4.1 and 4.2, if DR or any person connected with him shall (subject to all requisite shareholder and other consents and regulatory compliance) enter into a contract with any member of the Group to acquire any Relevant Property he shall be entitled to set off against the purchase price payable in respect of that Relevant Property any amount due in respect of any redemption of Issued Notes he is entitled to demand or has demanded in accordance with clause 4.2 (including the extent to which the purchase price payable by DR or such person connected with him in respect of the property being acquired would fall to be calculated and taken into account in the cumulative aggregate of Net Disposal Proceeds), for the purposes of implementing which set off redemption of the relevant Issued Notes shall take effect by DR delivering and surrendering to the Company certificates for the relevant amount of Issued Notes for cancellation. The Company shall issue DR with a replacement certificate for the balance of any Issued Note not so redeemed.

5. Guarantee Fee

5.1 At the request of the Company, DR has agreed to provide the Shortfall Fundraiser Guarantee (as defined in the Deed of Priorities), being a cash-backed personal guarantee for up to £3.4 million in favour of the Security Trustee (as defined in the Deed of Priorities) for the Lenders (as defined in the Deed of Priorities), on the basis that the terms offered by DR for doing so, when taken together with the revised terms offered by the Lenders for providing an equivalent £3.4 million of funding, are materially more favourable to the Company. In consideration of providing the Shortfall Fundraiser Guarantee, the Company agrees and undertakes to pay to DR the fee specified in and on the terms of clause 5.2

5.2 The guarantee fee payable to DR pursuant to clause 5.1:

- (a) shall be subject to the provisions of the Deed of Priorities for all purposes;
- (b) shall be and accrue at the rate of 1% (one per cent) per calendar month (and pro rata for any period shorter than a calendar month) on the principal amount committed under the Shortfall Fundraiser Guarantee from time to time, from the date on which such guarantee is entered into until the date on which it is released and discharged in full;
- (c) shall be rolled up (but not compounded) and paid on first written demand from DR on the earliest to occur of:

- (i) 31 December 2012;
- (ii) the Discharge Date (as defined in the Deed of Priorities);
- (iii) the date of any refinancing of the facilities provided pursuant to the Facilities Agreement (as defined in the Deed of Priorities); and
- (iv) the date on which any Acceleration Notice is given by the Agent (as defined in the Deed of Priorities) to the Company pursuant to clause 26.21 of the Facilities Agreement;

- (d) shall be paid without set off or deduction on any account, save as required by applicable law; and
- (e) shall be assignable by DR (but not by the Company) to any third party who shall have agreed to provide the Shortfall Fundraiser Guarantee in substitution for DR with (and subject to) the consent of the Security Trustee.

5.3 The Company agrees and confirms that the guarantee fee payable pursuant to this clause 5 is not inconsistent with normal commercial terms for the provision of such a financial commitment for such a period on these terms.

6. Fees, Costs and Expenses

6.1 DR shall not be entitled to any fee for entering into this Deed.

6.2 The Company shall pay in addition to its own costs and expenses (including professional fees) incurred in the preparation and negotiation of this Deed all costs and expenses (including professional fees) reasonably incurred by him in connection with the negotiation and implementation of this Deed (including without limitation costs and expenses in relation to the redemption of Issued Notes).

7. Assignment and Successors

7.1 No party may assign or transfer any of its rights or obligations under this Deed.

7.2 This Deed is binding upon the successors of each party to it.

8. Notices

8.1 Communications in writing

Any communication to be made under or in connection with this Deed (including any consent) shall be made in writing and, unless otherwise stated, may be made by fax or letter (sent by post or email).

8.2 Addresses

The address and fax number (and the department or office, 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 as set out or referred to on page 1 of this Deed,

or any substitute address, fax number, or department or officer as the party may notify to the other Parties, by not less than five Business Days' notice.

8.3 Delivery

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

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or when sent by email to an email address provided for the purposes of clause 8.2 or, if posted two Business Days after being deposited in the post first class postage prepaid (or five Business Days if sent by airmail) 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 8.2, if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent, [or the Security Trustee] will be effective only when actually received by them and then only if it is expressly marked for the attention of the department or officer identified in schedule 1 (or any substitute department or officer as it shall specify for this purpose).
- (c) Any communication or document made or delivered to the Company in accordance with this clause will be deemed to have been made or delivered to each member of the Group.

9. Partial invalidity

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

10. Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any party, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights, powers or remedies provided by law.

11. Miscellaneous

11.1 Conflict

If there is any conflict between the provisions of this Deed and any other Finance Document with regard to any matter, this Deed shall prevail.

11.2 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.

11.3 Changes to this Deed

This Deed may only be amended, altered, varied or supplemented in writing duly executed by all the parties to it.

11.4 Governing law and jurisdiction

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

Executed as a deed by the parties or their duly authorised representatives and delivered on the date of this Deed.

Schedule 1

Part 1 – The Company

Cosalt plc registered in England and Wales under No. 00019628

Address: Origin 4, Genesis Park, Origin Way, Grimsby, South Humberside, NE Lincolnshire
DN37 9TZ

Schedule 2

The Relevant Properties

60 Sixhills Street, land and buildings to the south of Sixhills Street and land and buildings at Convamore Road and Heneage Road, Grimsby (registered at the Land Registry with title numbers HS332319, HS114302, HS18994, HS19612, HS36616 and HS58210)

Land and buildings on the west side of Brickyard Lane, Melton (registered at the Land Registry with title numbers YEA3057 and HS262302)

Land and buildings on the south east side of Bell Street, Fish Quay, North Shields (registered at the Land Registry with title number TY308134)

Land lying on the west side of School Lane and Number 3 Factory School Road, Lowestoft (registered at the Land Registry with title numbers SK139594 and SK68171)

The property known as Crewsaver, Mumby Road, Gosport, Hampshire PO12 1AQ

Executed as a Deed
by Cosalt plc acting by a director
in the presence of:

)
)
)



Signature of witness:



Name: DEBBIE MCGREER

Address: 17 BRAMHALL ST
CHESTER
N.E. Lincs DN35 7QU

Occupation:

COMPANY SECRETARIAL ASSISTANT

Executed as a Deed by
David Peter John Ross
in the presence of:

)
)
)

Signature of witness:

Name:

Address:

Occupation:

Executed as a Deed)
by Cosalt plc acting by a director)
in the presence of:) _____


Signature of witness

Name:

Address.

Occupation

Executed as a Deed by)
~~David Peter John Ross~~ ADRIAN BOTT)
in the presence of:)
and duly
appointed
Attorney for
DAVID PETER JOHN ROSS



Signature of witness:

STEPHANIE BURROWS

Name:

STEPHANIE LOUISE BURROWS

Address:

ONE LONDON WALL, LONDON, EC2Y 5EB

Occupation:

P. A.