

## **Appendix A - Existing and proposed wording of clause 5.2 of the Stock Transfer agreement dated 31 March 2003**

### **Existing wording**

The provisions of this clause shall not bind any mortgagee or chargee or any receiver appointed by any such mortgagee or chargee (or any successors in title of any such mortgagee or chargee acting through such receiver) in possession of the whole or any part of the Property which shall be free to dispose of the whole or any part of the Property free from its terms and conditions and forthwith upon any such sale the Transferor will upon request cancel the restrictions referred to in paragraph (f) of this clause

### **New wording**

The provisions of this clause shall not be binding on a mortgagee or chargee (or a receiver (including an administrative receiver) appointed by such mortgagee or chargee or any other person appointed under any security documentation to enable such mortgagee or chargee to realise its security or any administrator (howsoever appointed) including a housing administrator (each a Receiver)) of the whole or any part of the Property or any persons or bodies deriving title through such mortgagee chargee or Receiver which shall be free to dispose of the whole or any part of the Property free from the terms and conditions of this clause and forthwith upon any such disposal the Transferor will upon request cancel the restriction referred to in paragraph (f) of this clause.

### **Key changes**

The new wording clarifies the mortgagee in possession clause by:

- Specifically confirming that administrative receivers including housing administrators will not be bound by the overage provisions in the stock transfer agreement;
- Confirming that any person that acquires any part of the property from a receiver will not be bound by the overage provisions in the stock transfer agreement; and
- Confirming that any disposal (e.g. lease) by an administrator or their successors in title will not be subject to the overage provisions, as opposed to just a sale.

Arguably all of these points can be inferred from the original wording, however the new wording clarifies these points and therefore modernises the terms of the clause making it suitable for the current lending market.