



Registration of a Charge

Company name: **INTERSERVE HOLDINGS LIMITED**

Company number: **00252221**



X822M3N4

Received for Electronic Filing: **26/03/2019**

Details of Charge

Date of creation: **15/03/2019**

Charge code: **0025 2221 0015**

Persons entitled: **GLAS TRUST CORPORATION LIMITED**

Brief description: **LAND AND BUILDINGS AT BARNFIELD BRIDGE, ALDRIDGE WITH TITLE NUMBER WM264358**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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:

DIANA DAI



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 252221

Charge code: 0025 2221 0015

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th March 2019 and created by INTERSERVE HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th March 2019 .

Given at Companies House, Cardiff on 27th March 2019

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**

EXECUTION VERSION

SECURITY AGREEMENT

DATED 15 MARCH 2019

BETWEEN

THE COMPANIES LISTED IN SCHEDULE 1 (CHARGORS)

as Chargors

- and -

GLAS TRUST CORPORATION LIMITED

as Mezzanine Security Agent

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THIS DEED is dated 15 March 2019 and made

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 (Chargors) as chargors (the **Chargors**); and
- (2) **GLAS TRUST CORPORATION LIMITED** (the **Mezzanine Security Agent**) as security agent and trustee for the Secured Parties (as defined in the Intercreditor and Security Trust Deed defined below).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Intercreditor and Security Trust Deed (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

Common Charged Property means (i) the IHL Shares and the related Related Rights, (ii) the Security Assets owned by Interserve Holdings Limited, and (iii) the Security Assets owned by Montana HoldCo Limited, in each case, for as long as they are subject to security created under this Deed and any agreement to which the Senior Security Agent is party.

English Intra-Group Loan Security Agreement has the meaning given to that term in the Mezzanine Facility Agreement.

Excluded Shares means, in relation to Interserve Holdings Limited, all shares, stocks, debentures, bonds or other securities or investments held by it in each of: (i) RMD Kwikform Almoayed Bahrain W.L.L. (ii) RMD Kwikform (Al Mahah) Qatar W.L.L., (iii) RMD Kwikform Saudi Arabia LLC, (iv) P.T. RMD Indonesian, (v) RMD Kwikform Chile S.A., (vi) RMS Kwikform Peru S.A.C. and United Industrial Services W.L.L.

IHL Shares means all Shares in the share capital of Interserve Holdings Limited held by any Chargor from time to time together with (if applicable) all of each other present and future shares in the capital of Interserve Holdings Limited from time to time held by, to the order, or on behalf of any Chargor.

Intercreditor and Security Trust Deed means the intercreditor agreement dated on or about the date of this Deed between (among others) the Chargors and the Mezzanine Security Agent.

Intra-Group Loan Document means any agreement, instrument or other document evidencing the terms of any Intra-Group Liabilities, including (without limitation) each agreement or document specified in Schedule 2 (Security Assets) under the heading **Intra-Group Loan Agreements**, but excluding the intra-group loan over which Security Interests shall be created pursuant to the English Intra-Group Loan Security Agreement.

Investments means:

- (a) the Share Security Assets; and
- (b) all other shares, stocks, debentures, bonds or other securities or investments which are Security Assets.

Legal Reservations has the meaning given to that term in the Mezzanine Facility Agreement.

Material Adverse Effect has the meaning given to that term in the Mezzanine Facility Agreement.

Mezzanine Secured Obligations means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to the Secured Parties under the Mezzanine Finance Documents (including, without limitation, under Clause 18.3 (*Parallel debt*) of the Intercreditor and Security Trust Deed), both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity.

Non-Obligor has the meaning given to that term in the Mezzanine Facility Agreement.

Obligor has the meaning given to that term in the Mezzanine Facility Agreement.

Power means any right, power, authority, discretion or remedy which the Mezzanine Security Agent, or any Receiver or Delegate has under this deed, any other Secured Document or under any applicable law.

Party means a party to this Deed.

Receiver means a receiver, a receiver and manager, or an administrative receiver, in each case, appointed under this Deed.

Related Rights means:

- (a) any dividend, interest or other distribution paid or payable in relation to any Shares; and
- (b) any right, money or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

Secured Documents means the Intercreditor Agreement, each other Mezzanine Finance Document and each other Senior Finance Documents.

Secured Obligations means the Mezzanine Secured Obligations and the Senior Agents Secured Obligations.

Secured Parties means the Mezzanine Secured Parties, the Senior Agent and the Senior Security Agent.

Security Asset means each asset of a Chargor which is, or is intended to be, subject to any Security Interest created by this Deed.

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

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Mezzanine Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

Senior Agents Secured Obligations means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to the Senior Agent, the Senior Security Agent, any Receiver or Delegate (in each case, solely in their capacity as such) under the Debt Documents (including, without limitation, under Clause 18.3 (*Parallel debt*) of the Intercreditor and Security Trust Deed), both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity.

Share Security Assets means the Shares and the Related Rights.

Shares means, in relation to any Chargor, all of the shares in the share capital of the relevant Subject Company set against its name in Schedule 2 (Security Assets) under the heading **Shares**, the details of which as at the date of this Deed are set out therein, together with (if applicable) all of each Chargor's other present and future shares in the capital of any Subject Company from time to time held by, to the order, or on behalf of each Chargor.

Subject Company means each company identified as such in Schedule 2 (Security Assets) under the heading **Shares**.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor and Security Trust Deed have the same meaning in this Deed, unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (Construction) of the Intercreditor and Security Trust Deed apply to this Deed as though they were set out in full in this Deed, except that references to the Intercreditor and Security Trust Deed will be construed as references to this Deed.
- (c) Any reference in this Deed to:
 - (i) a **clearance system** means a person whose business is or includes the provision of clearance services or security accounts, or any nominee or depositary for that person;
 - (ii) a **Secured Document** or any other agreement or instrument includes (without prejudice to any restriction on amendments) any amendment to that Secured Document or other agreement or instrument, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;

- (iii) any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;
- (iv) **this Security** means any security created by this Deed;
- (v) any **share, stock, debenture, bond or other security or investment** includes:
 - (A) any dividend, interest or other distribution paid or payable;
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 - (C) any right against any clearance system;
 - (D) any right under any custody or other agreement (including any right to require delivery up of any cash or other assets); and
 - (E) any cash or securities account maintained by any custodian or other entity,
 in each case, in relation to that share, stock, debenture, bond or other security or investment; and
 - (vi) an agreement, instrument or other document to which it is a party includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Secured Documents are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Mezzanine Security Agent considers that an amount paid to a Secured Party under a Secured Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a **Security Asset** includes the proceeds of any disposal of that Security Asset.

1.3 Third party rights

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

- (c) Subject to the Intercreditor and Security Trust Deed, any Secured Party that is not a Party may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

1.4 Prevalence

- (a) This Deed is subject to the provisions of the Intercreditor and Security Trust Deed. In the event of any inconsistency between this Deed and the Intercreditor and Security Trust Deed, the provisions of the Intercreditor and Security Trust Deed will prevail.
- (b) The Mezzanine Security Agent executes this Deed in the exercise of the powers and authority conferred and vested in it under the Intercreditor and Security Trust Deed for and on behalf of the Secured Parties for whom it acts. It will exercise its powers and authority under this Deed in the manner provided for in the Intercreditor and Security Trust Deed and, in so acting, the Mezzanine Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Intercreditor and Security Trust Deed (and in the event of any inconsistency between this Deed and the Intercreditor and Security Trust Deed in respect of such matters, the Intercreditor and Security Trust Deed shall prevail).

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Mezzanine Security Agent;
 - (ii) is created over present and future assets of each Chargor; and
 - (iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) All the security created under this Deed over the Security Assets is continuing security for the payment and satisfaction of all the Mezzanine Secured Obligations of the relevant Chargor and, for as long as any Security Asset constitutes Common Charged Property, the security created under this Deed with respect to that Security Asset is continuing security for the payment and satisfaction of all the Senior Agents Secured Obligations of the relevant Chargor.
- (c) If the rights of a Chargor under a document which is a material asset of that Chargor cannot be secured without the consent of a party to that document or satisfaction of some other condition to the extent not prohibited under the relevant document, this Security will constitute security over all proceeds and other amounts which that Chargor may receive, or has received, under that document but exclude that Chargor's other rights under the document.
- (d) The Mezzanine Security Agent holds the benefit of this Deed on trust for the Secured Parties.

2.2 Share Security Assets

Each Chargor:

- (a) charges by way of a first equitable mortgage:

- (i) all of the Shares owned by it; and
- (ii) all the Related Rights; and
- (b) (to the extent that they are not the subject of an equitable mortgage under paragraph (a) above) charges by way of a first fixed charge its interest in:
 - (i) all of the Shares owned by it; and
 - (ii) all the Related Rights.

2.3 Investments (other than Share Security Assets)

Each Chargor charges by way of a first fixed charge its interest in all Investments (other than any Share Security Assets and any Excluded Shares) owned by it or held by any nominee, trustee, custodian or clearance system on its behalf.

2.4 Land

- (a) Each Chargor charges:
 - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and specified in Schedule 2 (Security Assets) under its name under the heading **Real Property**; and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold property owned by it and specified in Schedule 2 (Security Assets) under its name under the heading **Real Property**.
- (b) Subject to paragraph (d) below, each Chargor charges:
 - (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) by way of a first equitable mortgage all present and future estates or interests in any freehold or leasehold property owned by it; and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above or (a) above) by way of a first fixed charge all present and future estates or interests in any freehold or leasehold property owned by it.
- (c) A reference in this Clause 2.4 (Land) to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery situated on or which form part of that property at any time;
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants; and
 - (iii) the proceeds of the sale of any property and any other monies paid or payable in respect of or in connection with that property.

- (d) Paragraph (b) above does not apply to any estate or interest in any property which requires the consent of the landlord (or owner of the freehold) to create Security over such interest and such consent has not been obtained by the relevant Chargor.

2.5 Plant and machinery

Each Chargor charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession.

2.6 Insurances

Each Chargor charges by way of a first fixed charge all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest but excluding any rights under any third party liability insurance contract or policy in respect of liabilities of that Chargor to third parties.

2.7 Intra-Group Loan Documents

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of each Intra-Group Loan Document.
- (b) Subject to paragraph (c) below, each Chargor charges by way of a first fixed charge all of its rights in respect of each Intra-Group Loan Document.
- (c) Paragraph (b) above does not apply to any agreement, instrument or other document to which a Chargor is a party that is subject to any fixed security created under any other term of this Clause.

2.8 Intellectual property

Each Chargor charges by way of a first fixed charge, all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right; this includes the patents and trademarks (if any) specified in Schedule 2 (Security Assets) under its name under the heading **Specific Intellectual Property Rights**;
- (b) any copyright or other intellectual property monopoly right; or
- (c) any interest (including by way of licence) in any of the above,

in each case, whether registered or not and including all applications for any of the rights referred to in paragraphs (a), (b) and (c) above.

2.9 Miscellaneous

Each Chargor charges by way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has to surplus assets payable to one or more Chargors on a winding up of any pension fund or otherwise under any pension fund;
- (b) all its present and future goodwill;

- (c) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

2.10 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets whatsoever and wheresoever situated (including, but not limited to, its heritable and moveable property and other property, assets and rights in Scotland or governed by the laws of Scotland) not at any time otherwise effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under this Clause.
- (b) Except as provided below, the Mezzanine Security Agent may by notice to a Chargor convert the floating charge created by that Chargor under this Clause into a fixed charge as regards any of that Chargor's assets specified in that notice, if:
 - (i) an Mezzanine Acceleration Event has occurred; or
 - (ii) the Mezzanine Security Agent (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,

under section 1A of the Insolvency Act 1986.

- (d) The floating charge created by this Clause will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed, or the Mezzanine Security Agent receives notice of an intention to appoint an administrator, in respect of that Chargor.
- (e) The floating charge created by this Clause is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (f) The floating charge created by this Clause 2.10 (Floating charge) may not be converted into a fixed charge in respect of any property or assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

3. REPRESENTATIONS - GENERAL

3.1 Representations

Each Chargor makes the representations and warranties set out in this Clause to each Secured Party.

3.2 Nature of security

Subject to the Legal Reservations, this Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on its declaration of insolvency, liquidation or administration or otherwise.

3.3 Times for making representations

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Each representation and warranty under this Deed is deemed to be made by each Chargor by reference to the facts and circumstances then existing on each date during the Security Period.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or permit to subsist any Security Interest on any asset; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any asset,
- except as expressly allowed under the Mezzanine Facility Agreement or this Deed.

5. INVESTMENTS

5.1 Representations – Shares and Investments

- (a) Each Chargor represents and warrants to each Secured Party that:
 - (i) its Shares are fully paid;
 - (ii) its Shares represent the whole of the issued share capital of the relevant Subject Company;
 - (iii) it is the sole legal and beneficial owner of its Shares; and
 - (iv) its Shares are free of any Security Interests (except for those created by or pursuant to the Transaction Security Documents) and any other rights or interests in favour of third parties.
- (b) Each Chargor represents and warrants to each Secured Party that:
 - (i) it (or a nominee, trustee, custodian or clearance system on its behalf) is the sole legal, and it is the sole beneficial, owner of its Investments (other than Share Security Assets); and

- (ii) its Investments (other than Share Security Assets) are free of any Security Interests (except for those created by or pursuant to the Transaction Security Documents or expressly permitted under the Mezzanine Facility Agreement) and any other rights or interests in favour of third parties.

5.2 Deposit

(a) Each Chargor must:

- (i) immediately deposit with the Mezzanine Security Agent, or as the Mezzanine Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to any of its Investments; and
 - (ii) promptly execute and deliver to the Mezzanine Security Agent all share transfers and other documents, including any which may be requested by the Mezzanine Security Agent in order to enable the Mezzanine Security Agent or its nominees to be registered as the owner or otherwise obtain a legal title to any of its Investments upon enforcement of this Security, this includes delivering to the Mezzanine Security Agent executed and (unless exempt from stamp duty), pre-stamped blank share transfers, with the name of the transferee, the consideration and the date left blank.
- (b) For as long as any Security Asset subject to security created under this Deed is Common Charged Property, each Chargor shall be deemed to have complied with its obligations under this Clause 5.2 if it has delivered any item in respect of that Security Assets required to be delivered by it to the Security Mezzanine Security Agent under this Clause 5.2 to the Senior Security Agent in accordance with the Senior Transaction Security.

5.3 Changes to rights

No Chargor may take any action or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further shares in any Subject Company being issued unless permitted under the terms of the Mezzanine Facility Agreement.

5.4 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any of its Investments.
- (b) If a Chargor fails to do so, the Mezzanine Security Agent may pay the calls or other payments on behalf of that Chargor. That Chargor must, within three Business Days of demand, reimburse the Mezzanine Security Agent for any payment made by the Mezzanine Security Agent under this Clause.

5.5 Other obligations in respect of the Investments

- (a) Each Chargor must as soon as reasonably practicable copy to the Mezzanine Security Agent and comply with all requests for information which is within its knowledge and which it is required to comply with under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of its Investments. If it fails to do so, the Mezzanine Security Agent may elect to provide such information as it may have on behalf of that Chargor.

- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (c) The Mezzanine Security Agent is not obliged to:
 - (i) perform any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Investment.

5.6 Voting rights and dividends

- (a) Before this Security becomes enforceable:
 - (i) each Chargor may continue to exercise (or refrain from exercising) the voting rights and any other rights or powers in respect of its Investments;
 - (ii) if the voting rights or other rights or powers are exercisable by the Mezzanine Security Agent, the Mezzanine Security Agent must exercise (or refrain from exercising) them as that Chargor may direct in writing; and
 - (iii) subject to the terms of the Mezzanine Facility Agreement, all dividends, distributions or other income paid or payable in relation to the Investments must be paid directly to that Chargor,

but, in the case of paragraphs (i) and (ii) above, only to the extent that such exercise or non-exercise of voting rights and other rights or powers (as the case may be) does not and could not reasonably be expected to adversely affect the value of the Security Assets or this Security.

- (b) Each Chargor must indemnify the Mezzanine Security Agent against any cost, loss or liability incurred by the Mezzanine Security Agent as a consequence of the Mezzanine Security Agent acting (or refraining from acting) in respect of any Investments as directed by any Chargor.
- (c) After this Security has become enforceable:
 - (i) the Mezzanine Security Agent may exercise (or refrain from exercising), in the name of the relevant Chargor and without any further consent or authority on the part of the relevant Chargor, any voting rights and any other rights or powers which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise; and
 - (ii) if any Investment remains registered in the name of a Chargor, that Chargor irrevocably appoints the Mezzanine Security Agent as its proxy to exercise the voting rights and other rights or powers in respect of that Investment.

5.7 Clearance systems

Each Chargor must, if requested by the Mezzanine Security Agent, instruct any clearance system to transfer any Investment held by it for that Chargor or its nominee to an account of the Mezzanine Security Agent or its nominee with that clearance system.

5.8 Custodian arrangements

Each Chargor must:

- (a) promptly give notice of this Security to any custodian or other entity in respect of any Investment held for it by that custodian or other entity in a form the Mezzanine Security Agent may require; and
- (b) use its reasonable endeavours to ensure that the custodian or other entity acknowledges that notice in a form the Mezzanine Security Agent may require.

6. LAND

6.1 General

In this Clause:

Material Mortgaged Property means:

- (a) any freehold or leasehold property specified in Schedule 2 (Security Assets) under the heading **Real Property**; and
- (b) any freehold property (or any leasehold property, other than an interest in a third-party rack rental lease) having a Relevant Value equal to or higher than £500,000.

Mortgaged Property means all freehold or leasehold property included in the definition of **Security Asset** and, where the context so requires, includes any buildings on that property, including (without limitation) any Material Mortgaged Property.

Relevant Value means, at any time:

- (a) if a valuation is available for that property within the last 24 months, the value ascribed to the property is that valuation; or
- (b) if no such valuation is available, the market value of that property.

6.2 Title

- (a) Each Chargor represents and warrants to each Secured Party that:
 - (i) it is the sole legal and beneficial owner of its Mortgaged Property; and
 - (ii) it has good and marketable title to its Mortgaged Property,

in each case, free of any Security Interests (except for those created by or pursuant to the Transaction Security Documents or expressly permitted under the Mezzanine Facility Agreement).

- (b) Each Chargor represents and warrants to each Secured Party that in relation to its Material Mortgaged Property:
- (i) no breach of any law, regulation or covenant is continuing which adversely affects or would be reasonably likely to adversely affect the value, saleability or use of its Material Mortgaged Property;
 - (ii) there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever adversely affecting its Material Mortgaged Property;
 - (iii) nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or registered dispositions, over its Material Mortgaged Property;
 - (iv) it has not received any notice of any adverse claim by any person in respect of the ownership of its Material Mortgaged Property or any interest in it which would be reasonably likely to be determined in favour of that person, nor has any acknowledgement been given to any such person in respect of its Material Mortgaged Property; and
 - (v) its Material Mortgaged Property is held by it free from any lease or licence (other than those entered into in accordance with any Secured Document or this Deed) and other than in respect of any lease granted to an Obligor, to a Non-Obligor or to a third party (which in the case of such Non-Obligor or third party, on arms' length terms).

6.3 Compliance with leases

Each Chargor must:

- (a) exercise its rights and comply with its material obligations under each lease comprised in its Material Mortgaged Property in a proper and timely manner; and
- (b) not do or omit to do or allow to be done or omitted any act as a result of which any lease comprised in its Material Mortgaged Property may become liable to forfeiture or otherwise be terminated.

6.4 Maintenance

Each Chargor must ensure that all buildings, plant, machinery, fixtures and fittings on its Material Mortgaged Property are in and are maintained in:

- (a) good and substantial repair and condition and, as appropriate, good working order; and
- (b) such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations; for this purpose, a law or regulation will be regarded as applicable if it is either:
 - (i) in force; or
 - (ii) expected to come into force and a prudent property owner in the same business as that Chargor would ensure that its buildings, plant, machinery, fixtures and

fittings were in such condition, repair and order in anticipation of that law or regulation coming into force.

6.5 Notices

Each Chargor must, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public, local or other authority with respect to its Material Mortgaged Property (or any part of it) (which would or would be reasonably likely to adversely affect the interests of any Secured Party):

- (a) deliver a copy to the Mezzanine Security Agent; and
- (b) inform the Mezzanine Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.

6.6 Investigation of title

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

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

6.7 Power to remedy

- (a) If a Chargor fails to perform any obligations under the Secured Documents affecting its Mortgaged Property, that Chargor must allow the Mezzanine Security Agent or any of its agents and contractors to, during normal business hours and upon no less than 24 hours notice:
 - (i) enter any part of its Mortgaged Property;
 - (ii) comply with or object to any notice served on that Chargor in respect of its Mortgaged Property; and
 - (iii) take any action that the Mezzanine Security Agent may reasonably consider necessary or reasonably consider desirable to prevent or remedy any breach of any such obligation or to comply with or object to any such notice.
- (b) The relevant Chargor must, within three Business Days of demand, pay the costs and expenses of the Mezzanine Security Agent and its agents and contractors incurred in connection with any action taken by it under this Clause.
- (c) No Secured Party is obliged to account as mortgagee in possession as a result of any action taken under this Clause.

6.8 Insurance

- (a) In respect of each Material Mortgaged Property, each Chargor must ensure that at all times from the date of this Deed contracts of insurance (**Insurances**) are maintained in full force and effect which:

- (i) insure that Chargor in respect of its interests in that Material Mortgaged Property and the plant, machinery, fixtures and fittings on that Material Mortgaged Property for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs); and
 - (ii) insure such other risks to the extent as is usual for companies carrying on the same or substantially similar business as that Chargor would insure.
- (b) Each Chargor must use its reasonable endeavours to ensure that the Mezzanine Security Agent receives a copy of the policy, certificate or cover note relating to any Insurance maintained by that Chargor and the receipt for the payment of any premium for any such Insurance and any information in connection with any such Insurance and any claim under it which the Mezzanine Security Agent may reasonably require.
- (c) Each Chargor must, in respect of each Material Mortgaged Property that it owns:
 - (i) comply with the terms of the Insurances maintained by that Chargor;
 - (ii) not do or permit anything to be done which may make void or voidable any such Insurances; and
 - (iii) comply with all reasonable risk improvement requirements of its insurers.
- (d) Each Chargor must ensure that:
 - (i) each premium for the Insurances maintained by that Chargor is paid in accordance with the terms of the relevant Insurance; and
 - (ii) all other things necessary are done so as to keep such Insurances in force.
- (e) Except as provided in paragraph (f) below, all amounts received or receivable under any Insurance must be applied:
 - (i) in replacing, restoring or reinstating the relevant Mortgaged Property or in any other manner which the Mezzanine Security Agent may agree; or
 - (ii) after a Mezzanine Acceleration Event has occurred, if the Mezzanine Security Agent so directs (but subject to the terms of the relevant Insurances), in or towards satisfaction of the Secured Obligations.
- (f) Amounts received under liability policies held by a Chargor which are required by that Chargor to satisfy established liabilities of it to third parties must be used to satisfy those liabilities.

6.9 Leases

No Chargor may grant or agree to grant (whether in exercise of any statutory power or otherwise) any lease or tenancy of the Mortgaged Property or any part of it or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property, unless expressly permitted under the Mezzanine Facility Agreement or other than to an Obligor, to a Non-Obligor or to a third party (which in the case of such Non-Obligor or third party, on arms' length terms).

6.10 Access

Each Chargor must permit the Mezzanine Security Agent and any person nominated by it at all reasonable times to enter any part of its Material Mortgaged Property and view the state of it.

6.11 Acquisitions

- (a) If a Chargor acquires any freehold or leasehold property after the date of this Deed, which is covered under the definition of Material Mortgaged Property it must:
 - (i) promptly inform the Mezzanine Security Agent of such acquisition;
 - (ii) if the title to that freehold or leasehold property is registered at H.M. Land Registry or required to be so registered, give H.M. Land Registry written notice of this Security; and
 - (iii) if applicable, ensure that this Security is correctly noted in the Register of Title against that title at H.M. Land Registry.
- (b) If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute an equitable mortgage over that lease, that Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. That Chargor must use its reasonable endeavours to obtain the landlord's consent.

6.12 Compliance with applicable laws and regulations

Each Chargor must perform all its obligations under any law or regulation in any way related to or affecting its Material Mortgaged Property.

6.13 H.M. Land Registry

Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any leasehold or freehold property covered in the definition of Material Mortgaged Property registered at H.M. Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated [] in favour of [] referred to in the charges register or their conveyancer. (Standard Form P)".

6.14 Deposit of title deeds

Each Chargor must deposit with the Mezzanine Security Agent or to the Mezzanine Security Agent's order all deeds and documents of title relating to its leasehold or freehold property covered in the definition of Material Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

7. INTELLECTUAL PROPERTY

7.1 General

In this Clause **Intellectual Property Rights** means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above,

in each case, whether registered or not, and which are Security Assets.

Material Intellectual Property means, in relation to any Chargor, those Intellectual Property Rights which are material to its business; this includes the patents and trademarks (if any) specified in Schedule 2 (Security Assets) under its name under the heading **Specific Intellectual Property Rights**.

7.2 Representations

Each Chargor represents and warrants to each Secured Party that:

- (a) the Intellectual Property Rights owned by it are all of the Intellectual Property Rights required by it in order for it to carry on its business as it is now being conducted;
- (b) it is the sole legal and beneficial owner of those Intellectual Property Rights referred to in paragraph 7.2(a) above;
- (c) those Intellectual Property Rights referred to in paragraph 7.2(a) above are free of any Security Interests (except for those created by or pursuant to the Transaction Security Documents or expressly permitted under the Mezzanine Facility Agreement) and any other rights or interests (including any licences) in favour of third parties;
- (d) it does not, in carrying on its business, infringe any Intellectual Property Rights of any third party in any respect which has, or could reasonably be expected to have, a Material Adverse Effect; and
- (e) to its knowledge, no Material Intellectual Property Right owned by it is being infringed, nor is there any threatened infringement of any such Material Intellectual Property Right.

7.3 Preservation

- (a) Each Chargor must:
 - (i) make such registrations and pay such fees, registration taxes and similar amounts as are necessary to keep its Material Intellectual Property Rights in force;
 - (ii) take all other steps which are reasonably practicable to maintain and preserve its interests in its Material Intellectual Property Rights;
 - (iii) if requested to do so by the Mezzanine Security Agent, make entries in any public register of its Material Intellectual Property Rights which either record the existence of this Deed or the restrictions on disposal imposed by this Deed; and

- (iv) take such steps as are necessary (including the institution of legal proceedings) to prevent third parties infringing those Material Intellectual Property Rights.
- (b) Each Chargor must ensure that, except with the prior consent of the Mezzanine Security Agent, none of its Material Intellectual Property Rights which is registered is abandoned or cancelled, lapses or is liable to any claim of abandonment for non-use or otherwise.

8. INTRA-GROUP LOAN DOCUMENTS

8.1 Representations

Each Chargor represents and warrants to each Secured Party that:

- (a) the intra-group loan documents specified in Schedule 2 (Security Assets) under the heading **Intra-Group Loan Agreements**, represents (in, the case of any document which is expressed to have been amended from time to time, all material respects) a true, correct, complete and accurate list of all Intra-Group Loan Documents to which that Chargor is a party (as a lender) as at the date of this Deed;
- (b) no amount payable to it under an Intra-Group Loan Document is subject to any right of set-off or similar right (unless not prohibited under the Intercreditor and Security Trust Deed and/or except for any such right that arises under the express terms of that Intra-Group Loan Document);
- (c) each such Intra-Group Loan Document is its legal, valid, binding and enforceable obligation;
- (d) it is not in default of any of its obligations under any such Intra-Group Loan Document;
- (e) there is no prohibition on assignment in, or other restriction on the creation of security by that Chargor over, any such Intra-Group Loan Document;
- (f) its entry into and performance of this Deed will not conflict with any term of any such Intra-Group Loan Document; and
- (g) its rights in respect of each such Intra-Group Loan Document are free of any Security Interests (except for those permitted under the terms of the Intercreditor and Security Trust Deed including those Security Interests and/or except for those created by or pursuant to the Transaction Security Documents) and any other rights or interests in favour of third parties.

8.2 Preservation

- (a) Subject to the terms of the Intercreditor and Security Trust Deed and the Mezzanine Facility Agreement, each Chargor may, without the prior consent of the Mezzanine Security Agent:
 - (i) terminate any Intra-Group Loan Document to which it is a party; or
 - (ii) amend or waive any term of, any Intra-Group Loan Document to which it is a party.

- (b) No Chargor shall take any action which might jeopardise the existence or enforceability of any such Intra-Group Loan Document provided that any repayment or any action not prohibited by the Intercreditor and Security Trust Deed shall not be deemed to jeopardise such existence or enforceability.

8.3 Other undertakings

Each Chargor must:

- (a) duly and promptly perform its obligations, and diligently pursue its rights, under each Intra-Group Loan Document to which it is a party; and
- (b) supply the Mezzanine Security Agent and any Receiver with copies of each such Intra-Group Loan Document and any information and documentation relating to any such Intra-Group Loan Document requested by the Mezzanine Security Agent or any Receiver.

8.4 Notices of assignment/charge

- (a) Each Chargor must:
 - (i) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 3 (Forms of letter for Intra-Group Loan Documents), on each counterparty to an Intra-Group Loan Document to which it is a party; and
 - (ii) use its reasonable endeavours to procure that the counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 3 (Forms of letter for Intra-Group Loan Documents),

unless the counterparty to that Intra-Group Loan Document is a Party to this Deed or to the Intercreditor and Security Trust Deed.

- (b) Each Party to this Deed or to the Intercreditor and Security Trust Deed, who is also a counterparty to an Intra-Group Loan Document hereby acknowledges that:
 - (i) by virtue of it being a party to this Deed or to the Intercreditor and Security Trust Deed, it is hereby notified that all the rights of each Chargor which is a party to an Intra-Group Loan Document is assigned by way of security to the Mezzanine Security Agent (which includes any Intra-Group Loan Document which it is a party to);
 - (ii) subject to the provisions of the Intercreditor and Security Trust Deed, the relevant Chargor will remain entitled to exercise all the rights, powers and discretions which under the terms of the Intra-Group Loan Document to which it is a party were vested in the relevant Chargor, and it shall continue to send payments and communications under the Intra-Group Loan Document to which it is a party to the relevant Chargor, unless and until it receives notice from the Mezzanine Security Agent to the contrary stating that the security under this Deed has become enforceable (in which event, all the rights, powers and discretions will be exercisable by, and all payments and communications must be sent to, the Mezzanine Security Agent or as the Mezzanine Security Agent directs);

- (iii) no amount payable by it under each Intra-Group Loan Document (to which it is a party) is subject to any set-off, counterclaim or other similar right (except as permitted in the Intercreditor and Security Trust Deed and/or except for any such right that arises under the express terms of that Intra-Group Loan Document) and we will not exercise or claim any such right other than as permitted in the Intercreditor and Security Trust Deed; and
- (iv) it has not received notice of the interest of any third party in any Intra-Group Loan Document to which it is a party.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

This Security will become immediately enforceable if a Mezzanine Acceleration Event has occurred.

9.2 Discretion

After this Security has become enforceable, the Mezzanine Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the Instructing Group directs.

9.3 Power of sale

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Mezzanine Security Agent are extended so as to authorise the Mezzanine Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Mezzanine Security Agent may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

10.2 No liability as mortgagee in possession

Neither the Mezzanine Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

Each Receiver and the Mezzanine Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

10.4 Protection of third parties

No person (including a purchaser) dealing with the Mezzanine Security Agent or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Mezzanine Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Secured Documents; or
- (d) how any money paid to the Mezzanine Security Agent or to that Receiver is to be applied.

10.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Mezzanine Security Agent may do any one or more of the following:
 - (i) redeem any prior Security Interest against any Security Asset;
 - (ii) procure the transfer of that Security Interest to itself; and
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must, immediately on demand, pay to the Mezzanine Security Agent the costs and expenses incurred by the Mezzanine Security Agent in connection with any such redemption or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Secured Documents but at a time when amounts may or will become due, the Mezzanine Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

10.7 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of a Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Mezzanine Security Agent may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (b) Where any financial collateral is appropriated:

- (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
- (ii) if it is listed or traded on a recognised exchange, its value will be the amount for which it could have been sold on the exchange on the date of appropriation; and
- (iii) in any other case, its value will be the amount that the Mezzanine Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it,

and each Secured Party (other than a Receiver or a Delegate) will give credit for the proportion of the value of the financial collateral appropriated to its use.

11. RECEIVER

11.1 Appointment of Receiver

- (a) Except as provided below, the Mezzanine Security Agent may from time to time appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Mezzanine Security Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Mezzanine Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Mezzanine Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Mezzanine Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Mezzanine Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) 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 Mezzanine Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with Mezzanine Security Agent

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Mezzanine Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12. POWERS OF RECEIVER

12.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law and will be entitled to exercise them even if it involves acting with multi-representation or a conflict of interest; this includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

12.3 Carry on business

A Receiver may carry on any business of any Chargor in any manner it thinks fit.

12.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as it thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

12.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which it thinks fit.

12.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

12.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which it thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which it thinks fit (including the payment of money to a lessee or tenant on a surrender).

12.8 Compromise

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

12.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which it thinks fit.

12.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

12.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

12.12 Delegation

A Receiver may delegate its powers in accordance with this Deed, even if it involves acting with multi-representation or a conflict of interest.

12.13 Lending

A Receiver may lend money or advance credit to any customer of any Chargor.

12.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation or other works; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as it thinks fit.

12.15 Other powers

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of that Security Asset; and
- (c) use the name of any Chargor for any of the above purposes.

13. APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Mezzanine Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security will be held by the Mezzanine Security Agent and applied in accordance with the provisions of the Intercreditor and Security Trust Deed.

14. EXPENSES AND INDEMNITY

Each Chargor must:

- (a) within three Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation); and
- (b) keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

DELEGATION

14.2 Power of Attorney

The Mezzanine Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed (even if it involves acting with multi-representation or a conflict of interest).

14.3 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Mezzanine Security Agent or any Receiver may think fit.

14.4 Liability

Neither the Mezzanine Security Agent nor any Receiver will be in any way liable or responsible to any Chargor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate.

15. FURTHER ASSURANCES

15.1 Further assurances

Each Chargor must, at its own expense, take whatever action the Mezzanine Security Agent or a Receiver may require for:

- (a) creating, perfecting or protecting any security over any Security Asset; or
- (b) facilitating the realisation of any Mezzanine Security Asset, or the exercise of any right, power or discretion exercisable, by the Mezzanine Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

15.2 Action required

The action that may be required under Clause 15.1 (Further assurances) includes:

- (a) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Mezzanine Security Agent or to its nominee; or
- (b) the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, the Mezzanine Security Agent may think expedient.

16. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Mezzanine Security Agent, each Receiver and their respective delegates and sub-delegates to be its attorney with the full power and authority of that Chargor (even if it involves acting with multi-representation or a conflict of interest) to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required and which that Chargor has failed to do or which any attorney in its absolute discretion may deem necessary for carrying out any obligation of that Chargor under or pursuant to this Deed or generally for enabling the Mezzanine Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under and in accordance with this Clause.

17. PRESERVATION OF SECURITY

17.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part

on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.2 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed including (without limitation and whether or not known to it or any Secured Party):

- (a) any time, waiver or consent granted to, or composition with, any Debtor or other person;
- (b) the release of any Debtor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or any other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
- (f) any amendment of any Secured Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Secured Document or other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Secured Document or any other document or security; or
- (h) any insolvency, resolution or similar proceedings.

17.3 Amendments to the Secured Documents

- (a) Without limiting Clause 17.2 (Waiver of defences), each Chargor acknowledges that the Secured Documents may from time to time be amended (and that term has the wide meaning given to it by clause 1.2 (Construction) of the Intercreditor and Security Trust Deed).
- (b) Each Chargor confirms its intention that:
 - (i) any amendment to a Secured Document is within the scope of the Secured Obligations and this Security; and
 - (ii) the Secured Obligations and this Security extend to any amount payable by any member of the Group under or in connection with a Secured Document as amended.

- (c) Each Chargor agrees that the confirmations in paragraph (b) above apply regardless of:
 - (i) why or how a Secured Document is amended (including the extent of the amendment and any change in the parties);
 - (ii) whether any amount payable by any member of the Group under or in connection with the amended Secured Document in any way relates to any amount that would or may have been payable had the amendment not taken place;
 - (iii) the extent to which the Chargor's liability under this Deed (whether present or future, actual or contingent), or any right it may have as a result of entering into or performing its obligations under this Deed, changes or may change as a result of the amendment; and
 - (iv) whether the Chargor was aware of or consented to the amendment.

17.4 Immediate recourse

- (a) Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed.
- (b) This waiver applies irrespective of any law or provision of a Secured Document to the contrary.

17.5 Appropriations

Each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or trustee or agent) in respect of the Secured Obligations or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and no Chargor will be entitled to the benefit of such moneys, security or rights; and
- (b) hold in a suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed.

17.6 Deferral of Chargor's rights

- (a) Unless the Security Period has expired or the Mezzanine Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Deed:
 - (i) to be indemnified by a Debtor;
 - (ii) to claim any contribution from any other person who has provided security or a guarantee in respect of any Debtor's obligations under the Secured Documents;

- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Secured Documents or of any other guarantee or security taken pursuant to, or in connection with, the Secured Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of which any Chargor has granted security under this Deed;
 - (v) to exercise any right of set-off against any Debtor; and/or
 - (vi) to claim or prove as a creditor of any Debtor in competition with any Secured Party.
- (b) If a Chargor receives any benefit, payment or distribution in relation to such rights it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Debtors under or in connection with the Secured Documents to be repaid in full on trust for the Secured Parties and must promptly pay or transfer them to the Mezzanine Security Agent or as the Mezzanine Security Agent may direct for application in accordance with the terms of this Deed.

17.7 Additional security

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by any Secured Party.
- (b) No prior security held by any Secured Party (in its capacity as such or otherwise) over any Security Asset will merge with this Security.

18. MISCELLANEOUS

18.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part.

18.2 Covenant to pay

Each Chargor must pay or discharge the Mezzanine Secured Obligations in the manner provided for in the Secured Documents.

18.3 Tacking

Each Creditor must perform its obligations under the Finance Documents to which it is a party (including any obligation to make available further advances).

18.4 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with a Chargor.

- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligation.

18.5 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any other Secured Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

18.6 Notice to Chargor

This Deed constitutes notice in writing to each Chargor of any charge or assignment by way of security that may at any time be created or made under any Transaction Security Document by any member of the Group in respect of any obligation or liability under any agreement, instrument or other document to which that member is a party.

18.7 Release of Chargor's rights

If the shares in a Debtor are disposed of as a result of enforcement of this Security, each Chargor irrevocably authorises the Mezzanine Security Agent (on behalf of that Chargor and without requiring any authority or consent from any Debtor or Secured Party) to release (in whole or in part) that Debtor (and any Subsidiary of that Debtor) from the liabilities and obligations (present and future, actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) it may have to that Chargor under or in connection with the Secured Documents as a result of that Chargor being a guarantor or security provider (including, without limitation, any liabilities and obligations arising by way of indemnity, contribution or subrogation).

19. CHANGES TO THE PARTIES

19.1 Chargors

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed without the prior consent of the Mezzanine Security Agent.

19.2 The Secured Parties

Any Secured Party may assign or otherwise dispose of all or any of its rights under this Deed in accordance with the terms of the Secured Documents to which it is a party and may disclose any information in its possession relating to the Chargor to any actual or prospective assignee, transferee or participant.

19.3 Acknowledgment of novation

Each Chargor acknowledges the terms of (i) clause 3.26 of the Restructuring Deed, which will take effect if the Restructuring (as defined in the Restructuring Deed) is implemented, and (ii) clause 7.36 of the Restructuring Deed, which will take effect if the Alternative Restructuring (as defined in the Restructuring Deed) is implemented, and confirms that the Security created by it under this Deed:

- (a) remains in full force and effect following the transactions referred to in the applicable clause of the Restructuring Deed (the "**Novation**") taking effect; and
- (b) secures the obligations of the Obligors under the Senior Facility Agreement following the Novation.

20. RELEASE

At the end of the Security Period, the Secured Parties must, at the request and cost of a Chargor, take whatever action is necessary to release its Security Assets from this Security.

21. PARTIAL INVALIDITY

If, at any time, any term of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.

22. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Deed will operate as a waiver, nor will 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 or remedies provided by law and may be waived only in writing and specifically.

23. COUNTERPARTS

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

24. GOVERNING LAW

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

25. JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1**CHARGORS**

Name of Chargor	Jurisdiction & Incorporation	Registered Number
Montana HoldCo Limited	England & Wales	11838409
Interserve Holdings Limited (previously known as Robert M Douglas Holdings PLC)	England & Wales	00252221

SCHEDULE 2
SECURITY ASSETS

PART 1

SHARES

Chargor	Subject Company	Number of Shares	Class of Shares
Montana HoldCo Limited	Montana FinCo Limited	1	Ordinary shares of £1 each
Interserve Holdings Limited	Montana HoldCo Limited	1	Ordinary shares of £1 each

PART 2

SPECIFIC INTELLECTUAL PROPERTY RIGHTS

None

PART 3

REAL PROPERTY

No.	Chargor	Property description	Title Number
1.	Interserve Holdings Limited	Land and buildings at Barnfield Bridge, Aldridge	WM264358

PART 4

INTRA-GROUP LOAN AGREEMENTS

None

SCHEDULE 3

FORMS OF LETTER FOR INTRA-GROUP LOAN DOCUMENTS

PART 1

NOTICE TO COUNTERPARTY

To: [Counterparty]

Copy: [Mezzanine Security Agent] (as Mezzanine Security Agent)

[Date]

Dear Sirs,

Security Agreement dated [] 2019 between (among others) Interserve Holdings Limited as chargor and GLAS Trust Corporation Limited as Mezzanine Security Agent (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to GLAS Trust Corporation Limited (the **Mezzanine Security Agent**) all our rights in respect of *[insert details of the Intra-Group Loan Document]* (the **Contract**).

We confirm that:

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

Subject to the provisions of the Intercreditor and Security Trust Deed (as defined in the Security Agreement), we will also remain entitled to exercise all the rights, powers and discretions which under the terms of the Contract were vested in us, and you should continue to send payments and communications under the Contract to us, unless and until you receive notice from the Mezzanine Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all payments and communications must be sent to, the Mezzanine Security Agent or as it directs. The contact details for the Mezzanine Security Agent are as set out below or as otherwise notified to you from time to time by it. However, we have agreed with the Mezzanine Security Agent that in no event will we amend or waive any provision of, or terminate, the Contract without its prior consent.

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

The instructions in this letter may not be revoked or amended without the prior consent of the Mezzanine Security Agent and you may comply with them without further permission from us or enquiry by you.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Mezzanine Security Agent at [ADDRESS], with a copy to ourselves.

Yours faithfully,

.....

(Authorised signatory)

[Chargor]

PART 2

ACKNOWLEDGEMENT OF COUNTERPARTY

To: [Mezzanine Security Agent] (as Mezzanine Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [] 2019 between (among others) Interserve Holdings Limited as chargor and GLAS Trust Corporation Limited as Mezzanine Security Agent (the Security Agreement)

We confirm receipt from [] (the **Chargor**) of a notice dated [] of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of *[insert details of the Intra-Group Loan Document]* (the **Contract**).

We confirm that we will make payments and send communications under the Contract as directed in that notice.

We confirm that no amount payable by us under the Contract is subject to any set-off, counterclaim or other similar right and we will not exercise or claim any such right other than as permitted in the Intercreditor and Security Trust Deed.

We also confirm that we have not received notice of the interest of any third party in the Contract.

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

Yours faithfully,

.....

(Authorised signatory)

[Counterparty]

SIGNATORIES

Chargors

INTERSERVE HOLDINGS LIMITED

EXECUTED as a deed by)
INTERSERVE HOLDINGS)
LIMITED acting by its)
attorney, CAROL ANN WILSON in the)
presence of:



Signature of Attorney

Signature of witness:



Name of witness:

FRANKA GLOUMLEY

Address of witness:

1 BUNHILL ROW
LONDON EC1Y 8YY

MONTANA HOLDCO LIMITED

Executed as a deed by **MONTANA**)
HOLDCO LIMITED acting by its)
attorney... GARY CROUCH... in the)
presence of:

Signature of Attorney

Signature of witness:

Name of witness:

FAIMAN & CHOLMURRY

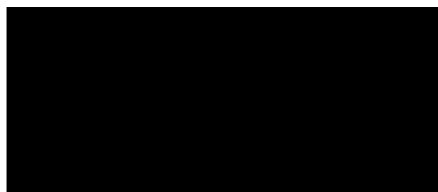
Address of witness:

1 BUNHILL ROW
LONDON EC1Y 8YY

Mezzanine Security Agent

EXECUTED as a deed by GLAS)
TRUST CORPORATION LIMITED)
acting by its)
attorney.....

Gilda Cara
.....Transaction Manager
in the presence of:



Signature of witness:



Name of witness:

.....DIANA DAI.....

Address of witness:

.....AKIN GUMPELL
8th Floor
.....10 Bishops Square
London
E1 6EG
United Kingdom